



Karen Koyano
Principal Manager
FERC Rates & Compliance

March 30, 2018

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Dear Ms. Bose:

Re: Southern California Edison Company, ER18-____-000
Amendments to the Wholesale Distribution Access
Tariff

Pursuant to Section 205¹ of the Federal Power Act (“FPA”) and 18 C.F.R. § 35.13, Southern California Edison Company (“SCE”) hereby submits its revisions to its Wholesale Distribution Access Tariff (“WDAT”), FERC Electric Tariff, Volume No. 5 (“WDAT Revisions”).

I. DESCRIPTION OF FILING

In this filing, SCE proposes revisions to its WDAT and certain Attachments thereto, including: Attachment A, Form of Service Agreement for Wholesale Distribution Service; Attachment C, Technical and Operational Implementation of the Tariff for Generation Resources; and, Attachment I, Generator Interconnection Procedures (“GIP”) which also include Appendices 5.2, 6.2, and 7 containing SCE’s *pro forma* Generator Interconnection Agreements (GIAs). SCE is proposing two independent sets of revisions: 1) energy storage revisions; and 2) revisions unrelated to energy storage.

¹ 16 U.S. Code § 824d.

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First, based on extensive feedback from resources seeking interconnection and experience with customers during the negotiation of interconnection agreements, SCE proposes revisions to its WDAT to better accommodate the interconnection of energy storage resources. SCE believes that these revisions will: 1) provide greater transparency to interconnection customers on both the interconnection process and the costs associated with that process; 2) provide for greater speed and efficiency in performing studies and developing interconnection agreements; 3) allow SCE to provide services to the interconnecting generators in a more cost-effective manner; and 4) reduce the number of interconnection agreement filings made with the Commission. These proposed revisions are described in Section II of this Transmittal Letter.

Second, SCE proposes revisions to its WDAT unrelated to energy storage to correct errors or make terms of its GIP consistent with the California Independent System Operator's ("CAISO") Tariff. These revisions can be read and evaluated independently from the energy storage revisions. These proposed revisions are described in Section III of this transmittal letter.

SCE respectfully submits that both sets of proposed revisions will benefit interconnection customers and improve the interconnection process. As such, SCE believes that the revisions are just and reasonable and are superior or equal to the pro forma, and requests that the Commission approve the changes proposed herein.

II. PROPOSED ENERGY STORAGE-RELATED REVISIONS TO SCE'S WDAT AND ATTACHMENTS A, C, and I

SCE proposes revisions to the following sections of the WDAT:

- WDAT Section 1, Preamble and Applicability
- WDAT Section 2, Definitions
- WDAT Section 12, Nature of Distribution Service
- WDAT Section 13, Service Availability
- WDAT Section 15, Procedures for Arranging Distribution Service
- WDAT Section 21, Compensation for Distribution Service
- Attachment A, Form of Service Agreement for Wholesale Distribution Service
- Attachment C: Technical and Operational Implementation of the Tariff for Generation Resources

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- Attachment I, Generator Interconnection Procedures (GIP)
- Attachment I, Appendix 1: Wholesale Distribution Access Tariff Interconnection Request For A Generating Facility
- Attachment I, Appendix 5.2: Generator Interconnection Agreement (GIA) For a Generating Facility Interconnecting Under the Cluster Study Process
- Attachment I, Appendix 6.2: Generator Interconnection Agreement (GIA) For a Generating Facility Interconnecting Under the Independent Study Process
- Attachment I, Appendix 7: Generator Interconnection Agreement (GIA) For a Generating Facility Interconnecting Under the Fast Track Process

SCE's Section 205 filing uses, as its starting points, the version of the WDAT filed with the Commission on May 28, 2010² and approved on September 8, 2010³ for Attachment A and the version of the WDAT filed with the Commission on March 29, 2017⁴ and approved on May 10, 2017⁵ for Attachment C and Attachment I (Appendices 5.2, 6.2, and 7).

A. Interconnecting Energy Storage Devices Under the WDAT

To date, SCE has interconnected several storage devices to its distribution system via the WDAT interconnection process. When interconnection customers with storage devices apply to SCE to interconnect to the distribution system, SCE studies the discharge of energy from the storage devices like any other generator. Like with traditional generation, the customer is responsible for the costs of any identified distribution upgrades required to accommodate the injection of energy on to the distribution system.

However, for the charging aspect of facilities with energy storage devices, SCE provides interconnection customers with a non-binding preliminary analysis of the ability of SCE's distribution system to accommodate the load/charging demand of the energy storage device. This analysis provides hourly and monthly estimates of the charging opportunities that may be available for the device over the next twelve month period, utilizing SCE's existing distribution

² Southern California Edison Company, *Baseline Electronic Tariff Submittal (Type of Filing Code 370): Wholesale Distribution Access Tariff* in Docket No. ER10-1356-000, (May 28, 2010).

³ *Order on Baseline Filing of Wholesale Distribution Access Tariff*, in Docket No. ER10-1356-000 (September 8, 2010).

⁴ Southern California Edison Company, *Amendments to the Wholesale Distribution Access Tariff* in Docket ER17-1328-000 (March 29, 2017).

⁵ *Letter accepting Revisions to Wholesale Distribution Access Tariff* in Docket No. ER17-1328-000, May 10, 2017.

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system (i.e., no incremental upgrades). SCE will continue to provide this analysis to customers under the amendments proposed herein. Please see Appendix A for an example of the information provided to interconnection customers with energy storage devices. Currently, SCE does not conduct studies to determine whether distribution upgrades are necessary to support an energy storage device's charging because study methodologies, guidelines, and interaction with distribution planning for retail and wholesale load have not yet been established. As such, customers have not had to pay for distribution upgrades to support charging and SCE has not assessed any additional distribution rate for the as-available storage charging service that it provides.

SCE has begun internal efforts to develop a process that would study and account for energy storage device charging that would allow charging to be treated similarly to retail and wholesale load. As many circuits within SCE's distribution system have extremely limited available capacity, treating energy storage device charging similar to retail and wholesale load would require SCE to study and potentially recommend extensive distribution upgrades. Distribution upgrades built for the discharge/injection of energy by an energy storage resource onto the distribution system may not improve the system's ability to serve the charging demand/load of that same energy storage resource. Please see Appendix B for a description of a distribution planning scenario in which distribution upgrades for the discharge of energy do not facilitate charging the same energy storage resource.

The *pro forma* generator interconnection agreements ("GIA") were written to effectuate the *injection* of energy into the distribution system as opposed to the *charging* of facilities with energy from that same system. Accordingly, for the storage devices that were interconnected via the WDAT interconnection process, SCE has been including terms to address the unique issues presented by storage facilities in the appendices of the executed GIAs and filing the GIAs with the Commission. SCE has noticed a significant increase in amount of interconnection requests from generators with energy storage devices in the past few years. As such, incorporating terms specific to energy storage devices into the WDAT and SCE's *pro forma* GIAs will reduce the number of filings SCE will have to make with the Commission while codifying SCE's process for storage interconnection, thus providing additional transparency to interconnection customers for services, processes, and costs.

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1. WDAT Sections 1-24

SCE proposes revisions to the main sections of the WDAT to accommodate interconnection of energy storage resources, including addressing the bi-directional characteristics of an energy storage resource. Revisions to the main document of the WDAT (Sections 1-24) include the following:

a. WDAT Section 1

SCE proposes to add the underlined language to Section 1.2 to ensure applicability of the WDAT to the transportation of capacity and energy for the purposes of charging:

[text omitted.] The Tariff is applicable for the transportation of capacity and energy that is (1) generated or purchased by a Distribution Customer at a generation source and transported to the ISO Grid using the Distribution Provider's Distribution System, ~~or~~ (2) generated or purchased by a Distribution Customer from generation sources and transported from the ISO Grid to the Distribution Customer's Service Area using the Distribution Provider's Distribution System, or (3) generated or purchased, by a Distribution Customer from generation sources and transported from the ISO Grid to the Distribution Customer's Resource for the Charging Demand, using the Distribution Provider's Distribution System.

b. WDAT Section 2

SCE proposes to introduce to the WDAT two defined terms, Charging Capacity and Charging Demand, that are specific to storage devices. Accordingly, their definitions are added to section 2 of the WDAT:

Charging Capacity: The capacity provided under a Service Agreement to meet the Charging Demand of a Resource that includes storage, subject to available capacity on the Distribution System and any operating conditions and/or limitations as may be set forth in the Service Agreement.

Charging Demand: The flow of wholesale electric energy from the Distribution System solely to charge the storage component of the Eligible Customer's Resource from the Distribution System for later redelivery of such energy, net of Resource losses, to the Distribution System. Charging Demand does not include

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the delivery of energy for purposes that are subject to the Distribution Provider's retail tariff.

SCE also proposes to add the underlined language to the following existing definitions to account for the interconnection of storage devices:

Eligible Customer: Any electric utility (including the Distribution Provider and any power marketer), Federal power marketing agency, or any person generating or storing electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy purchased or generated by such entity may be electric energy produced in the United States, Canada or Mexico. However, no entity is eligible for service hereunder that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act.

Point of Delivery: A point on the Distribution Provider's Distribution System where wholesale capacity and energy generated by the Distribution Customer's Resource will be delivered to the ISO Grid, or where wholesale capacity and energy delivered by the Distribution Provider will be made available to the Distribution Customer to serve Wholesale Distribution Load or Charging Demand. The Point of Delivery shall be specified in the Service Agreement.

c. WDAT Section 12

SCE has not yet developed revisions to its interconnection process that would allow it to conduct studies that would determine the distribution upgrades needed in order for Charging Demand to be treated similarly to wholesale and retail load. As such, under the proposed amendments, storage devices will not have added facilities constructed to accommodate their Charging Demand and will not face added facility charges associated with their Charging Demand. In contrast, the impacts of wholesale load are specifically studied, and the wholesale load pays for distribution upgrades specifically identified to address the added demands placed on the distribution system. Accordingly, under SCE's proposed WDAT changes, if necessary to maintain distribution system reliability, Charging Demand will be curtailed ahead of retail and wholesale distribution load⁶, which is reflected in the underlined language to WDAT Section 12.7.4, "Allocation of Curtailments":

⁶ Curtailment of the generation *output* aspect of an energy storage device will be made "made on an equitable, non-discriminatory basis with respect to all Resources directly connected to the Distribution System." See revisions to Section 5 of Attachment C of the WDAT "Technical and Operational Implementation of the Tariff for Generation Resources" included in this filing.

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The Distribution Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieves the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be proportionately shared by the Distribution Provider and Distribution Customer. The Distribution Provider shall not direct the Distribution Customer to Curtail ISO schedules to an extent greater than the Distribution Provider would Curtail the Distribution Provider's ISO schedules under similar circumstances. Notwithstanding the foregoing, the Distribution Service provided for the Charging Demand is based on existing Distribution System capacity and is subject to Curtailment by the Distribution Provider, on an equitable and non-discriminatory basis with respect to all Resources, before that of retail load and Wholesale Distribution Load to the extent practicable and consistent with Good Utility Practice.

SCE also proposes to add the following underlined language to WDAT Section 12.9, “Scheduling of Distribution Service” to account for the interconnection of storage devices that will charge from SCE’s distribution system:

Separate schedules for Distribution Service shall not be required under this Tariff. In transmission schedules submitted to the ISO, the Distribution Customer shall include its Generation, Charging Demand, or Wholesale Distribution Load, including applicable Distribution System real power losses, for which Distribution Service is being provided pursuant to this Tariff.

d. WDAT Section 13

SCE proposes to add the following underlined language to Section 13.9, “Real Power Losses” to account for the interconnection of storage devices that will charge from SCE’s distribution system:

[text omitted.] For Resources, the Real Power Loss Factor shall be:
 (i) 1.12% credit for the output and 1.12% loss for the Charging Demand of Resources interconnected at distribution voltages of 50 kV and above; or (ii) 3.73% credit for the output and 3.73% loss for the Charging Demand of Resources interconnected at distribution voltages below 50 kV and greater than or equal to 2 kV.

e. WDAT Section 15

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SCE proposes to add the following underlined language to Section 15.2 (vi) to account for the interconnection of storage devices that will charge from SCE's distribution system:

A description of the Resource located within the distribution area (current and 5-year projection of monthly Generation), which shall include:

- Unit size and amount of capacity from that unit
- VAR capability (both leading and lagging) of all generators
- Requested Charging Capacity, if applicable
- Operating restrictions
- Any periods of restricted operations throughout the year
- Maintenance schedules

f. WDAT Section 21

SCE proposes to add the following underlined language to Section 21.2.2 to account for the interconnection of storage devices that will charge from SCE's distribution system:

Monthly Charge for Distribution Service for Generation or Charging Demand

The rate charged for Distribution Service for Generation from the Resource to the ISO Grid or Charging Demand from the ISO Grid to the Resource shall be based only on the costs of those Distribution System facilities which are fully directly assigned to the Distribution Customer.[text omitted]

2. WDAT ATTACHMENT A

SCE proposes to modify Specification 6 in Attachment A to the WDAT ("Form of Service Agreement for Wholesale Distribution Service") to account for the interconnection of storage devices that will charge from SCE's distribution system by adding the underlined language and deleting the struck out language:

~~For Resources, the maximum amount of e~~Capacity and energy to be transmitted.

6.1 For Resources:

Generation:

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Charging Capacity, if applicable:

6.2 For Wholesale Distribution Load, the estimated peak load for informational purposes only:

4. WDAT ATTACHMENT I (GIP)

SCE proposes revisions to the GIP, including modifications to the interconnection request form, interconnection study processes, and interconnection agreements:

a. New and Modified Definitions

Similar to the proposed change of section 2 of the WDAT, SCE proposes to introduce to section 2 of the GIP two defined terms, Charging Capacity and Charging Demand, that are specific to storage devices. As with section 2 of the WDAT, SCE also proposes to modify the definitions of Commercial Operation, Electric Generating Unit, and Interconnection Service to properly account for the charging aspect of energy storage devices.

b. Capacity of the Generating Facility

SCE proposes to make changes in section 3.8 to properly account for the charging aspect of energy storage devices.

c. Interconnection Studies

As discussed above, SCE is not currently in a position to conduct studies that would determine the distribution upgrades that would need to be constructed in order for Charging Demand to be treated similarly to wholesale and retail load. Thus, to provide charging parameters to customers requesting interconnection of energy storage devices, SCE proposes that it will provide customers with a non-binding preliminary analysis of the ability of SCE's existing

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distribution system to accommodate the load/charging demand of the energy storage device. This analysis will provide hourly and monthly estimates of the charging opportunities that will be available for the device over the next twelve month period.⁷ These changes will be reflected in sections 4.5.2, 4.5.3, 5.8, and 5.8.1.1.

d. New Fast Track Screen

SCE proposes to add a new screen (new section 6.5.11) addressing energy storage devices to the Fast Track screening process, which helps determine whether an interconnection request will trigger the need for new equipment or modification of existing equipment. The original Fast Track screening process did not contemplate charging from the distribution system. This screen will require that an energy storage device that will charge from the distribution system will need to undergo a Supplemental Review in order to qualify for Fast Track.

e. Order of Screens and Preliminary Charging Analysis

SCE proposes changes to section 6.10.2 to allow an Interconnection Customer flexibility and the ability to choose the order in which SCE conducts the Supplemental Review screens and the preliminary charging analysis.

f. Time to Conduct Preliminary Charging Analysis

SCE proposes changes to section 6.11 to account for the incremental time required to conduct a preliminary charging analysis for energy storage devices in addition to the other pre-existing screens in the Supplemental Review.

g. New Supplemental Screen (new)

As discussed above, the original Fast Track screening process did not contemplate an energy storage device charging from the distribution system. SCE proposes a new Supplemental Review screen (new section 6.11.4) for a preliminary charging analysis for energy storage devices as part of the Supplemental Review.

5. Attachment I to WDAT (GIP), Appendix 1 to GIP

⁷ An example of such an analysis is provided in Appendix A to this letter.

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a. Covering Storage Projects

Appendix 1 to GIP is the WDAT Interconnection Request form. Section 4(c) of this form requests information regarding the type of project and a general description of the equipment configuration. SCE proposes to add that storage projects are covered by this form.

b. Information Specific to Energy Storage Devices

Attachment A to the Interconnection Request form is entitled “Wholesale Distribution Access Tariff Generating Facility Data.” SCE proposes a new Section 11 in Attachment A, entitled “Storage System Information” to obtain information specific to energy storage devices. Such information collection ensures SCE has access to the project specific details necessary to run complete studies and is consistent with existing language in Attachment A, which states, “At any time, Distribution Provider may require Interconnection Customer to provide additional technical data, or additional documentation supporting the technical data provided, as deemed necessary by the Distribution Provider to perform Interconnection Studies, other studies, or evaluations as set forth under the GIP.”

6. Attachment I to WDAT (GIP), Appendices 5.2 and 6.2

a. New and Modified Definitions

As in the body of the WDAT and the GIP (see Sections II(A)(2) and II(D)(1) of this transmittal letter), SCE proposes to add definitions to Article 1 for the terms Charging Capacity and Charging Demand, that are specific to storage devices. SCE also proposes to modify the definitions of Commercial Operation, Electric Generating Unit, and Interconnection Service to properly account for the charging aspect of energy storage devices used for interconnection of energy storage resources.

b. Changes to account for energy storage devices

SCE proposes changes in articles 4.1, 4.1.1, 4.1.2, 4.4, 5.1.2, 6.1, and 9.7.2 to properly account for the charging aspect of energy storage devices.

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c. Separate Metering for Retail Load and Charging Demand

SCE proposes the requirement that the retail load of a generating facility be metered separately from Charging Demand, so that a generating facility's retail load is not charged wholesale rates and its Charging Demand is not charged retail rates. This requirement is captured in proposed changes to Articles 7.3 and 7.4.

7. Attachment I to WDAT (GIP), Appendix 7

SCE proposes revisions to Appendix 7 (Fast Track GIA), which is based on the Commission's *pro forma* SGIA,⁸ that will provide improved efficiency and greater transparency to the Interconnection Customer. Specifically:

a. Right to Curtail Charging Demand

SCE proposes changes to Articles 3.4.2 and 3.4.4 to reflect that SCE has the right to curtail Charging Demand, in addition to output, if necessary to maintain distribution system reliability.

b. New and Modified Definitions

As in the body of the WDAT, GIP, and Cluster and ISP GIAs, SCE proposes to add definitions to Attachment 1 for the terms Charging Capacity and Charging Demand, that are specific to storage devices.

8. Attachment I to WDAT (GIP), Appendices 5.2, 6.2, and 7

a. Charging Demand Curtailed Ahead of Load

As discussed in section 1.c. of this transmittal letter, Interconnection Customers with storage devices will not drive or pay for added facilities to accommodate their Charging Demand. Thus, if necessary for reliability reasons, Charging Demand will be curtailed ahead of retail and wholesale load. To provide absolute clarity to Interconnection Customers on this issue, SCE proposes to revise the GIAs by adding a new Article 9.11 to the Cluster and ISP GIAs

⁸ SCE March 1, 2011 Transmittal Letter, ER11-2977-000, at 34.

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and new Article 1.9 in the Fast Track GIA to provide that Charging Demand will be subject to curtailment ahead of retail and wholesale load.

III. PROPOSED REVISIONS TO SCE’S WDAT AND ATTACHMENTS A, C, and I – UNRELATED TO ENERGY STORAGE

SCE proposes revisions unrelated to Energy Storage to the following sections of the WDAT:

- WDAT Section 2, Definitions
- WDAT Section 12, Conflicting Operating Instructions
- WDAT Section 13, Service Availability
- WDAT Section 15, Procedures for Arranging Distribution Service
- Attachment A, Form of Service Agreement for Wholesale Distribution Service
- Attachment C: Technical and Operational Implementation of the Tariff for Generation Resources
- Attachment I, Generator Interconnection Procedures (GIP)
- Attachment I, Appendix 1: Wholesale Distribution Access Tariff Interconnection Request For A Generating Facility
- Attachment I, Appendix 3 to the GIP (Generator Interconnection Study Process Agreement for the Cluster Study Process)
- Attachment I, Appendix 4 to the GIP (Independent Study Process Study Agreement for the Independent Study Process)
- Attachment I, Appendix 5.2: Generator Interconnection Agreement (GIA) For a Generating Facility Interconnecting Under the Cluster Study Process
- Attachment I, Appendix 6.2: Generator Interconnection Agreement (GIA) For a Generating Facility Interconnecting Under the Independent Study Process
- Attachment I, Appendix 7: Generator Interconnection Agreement (GIA) For a Generating Facility Interconnecting Under the Fast Track Process

SCE is proposing this second, discrete set of revisions to its WDAT unrelated to energy storage in order to correct, add, update, and/or make terms of its WDAT consistent with CAISO’s Tariff. These revisions are independent from SCE’s previously listed set of Energy Storage revisions and can be analyzed separately by FERC Staff.

1. Tax Provisions in Cluster/ISP GIAs

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SCE proposes modifications to Article 5.17.2 in order to include the correct IRS Notice and to clarify that the article applies to Interconnection Customers with storage projects. SCE also proposes similar changes to Article 5.17.6 to identify the correct IRS Notice and describe the form of payment required.

2. Waiver of Distribution Service Deposit in WDAT

Currently, when an Eligible Customer requests interconnection to SCE's distribution system, it must also request Distribution Service pursuant to Section 15.2 of the body of the WDAT. SCE requires a study deposit under the WDAT study tracks and also requires a deposit of \$2.00 per anticipated monthly kW for Distribution Service applications. In practice, that latter deposit is usually refunded to the Eligible Customer shortly after being submitted. In order to improve the efficiency of its interconnection process, SCE proposes to waive the Distribution Service deposit for those Eligible Customers that submit an Interconnection Request at the same time. SCE also proposes to delete similar language from Section 9 of the WDAT Interconnection Request form.

3. Site Exclusivity Deposit Option

Currently, SCE's GIP allows Interconnection Customers using the Cluster Study process to post a Site Exclusivity Deposit in lieu of demonstrating Site Exclusivity through documentation. SCE is proposing a new Article 5.2.1.2 that would provide that same option to Interconnection Customers under the Independent Study Process.

3. Fast Track True-Up

Currently, SCE's Fast Track GIA requires that a final accounting report be provided to the Interconnection Customer within "three months of completing the construction and installation of Distribution Provider's Interconnection Facilities and/or Upgrades." This is a challenging timeline for SCE because both cost and scope of construction must be reconciled. Additionally, if the Interconnection Customer delays delivery of as-built plans, which assist in determining the actual scope of facilities constructed by the Interconnection Customer, the true-up can be delayed.

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To improve the efficiency and accuracy of the true-up process, SCE proposes to change the time allowed to provide the Interconnection Customer a final accounting report, i.e., “true up”, from three to six months, by revising Appendix 7 to GIP (Fast Track GIA), Article 6.1.2.

SCE’s Fast Track GIA was modeled after the Commission’s standard SGIA. The ISP and Cluster GIAs were modeled after the Commission’s standard LGIA.⁹ Currently, the ISP and Cluster GIAs provide twelve (12) months for SCE to provide a final accounting report, which is also consistent with the CAISO Tariff.¹⁰ Extending the Fast Track GIA’s true up timeline from three to six months would be consistent with the CAISO Tariff¹¹ and with recent Commission approval regarding a similar modification to the Pacific Gas & Electric Company’s (PG&E) Wholesale Distribution Tariff.¹²

Since these variations provide more financial and schedule certainty, and align with the CAISO tariff, they are consistent with, or superior to, the GIP previously approved by the Commission.

4. Definition of Curtailment

SCE proposes to revise the definition of Curtailment in section 2 of the WDAT to clarify that a Curtailment may occur as a result of a directive from the Distribution Provider, who is responsible for the safety and reliability of the Distribution System.

5. Load Shedding and Curtailment Procedures

SCE proposes revisions to Section 5 of Attachment C to the WDAT, “Technical and Operational Implementation of the Tariff for Generation Resources,” to better align the Curtailment language with Article 9.7.2 (Interruptions of Service) of the Cluster and ISP GIAs, specifically that Curtailments, “shall continue only for so long as reasonably necessary under Good Utility Practice and shall be made on an equitable, non-discriminatory basis with respect to all Resources directly connected to the Distribution System”

⁹ SCE March 1, 2011 Transmittal Letter, ER11-2977-000, at 34.

¹⁰ CAISO Tariff, Appendix EE, Article 2.2. The CAISO Tariff can be viewed at http://www.caiso.com/Documents/ConformedTariff_asof_Apr25_2016_v2.pdf.

¹¹ CAISO Tariff, Appendix FF, Article 6.1.2

¹² See Pacific Gas and Electric Company, *Amendment to the Wholesale Distribution Tariff*, in Docket No. 17-2452-000 (September 8, 2017), and *Letter accepting Wholesale Distribution Tariff Revisions* in Docket No. ER17-2452-000, November 7, 2017.

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6. Definition of Loss

In reviewing SCE's GIP and GIA language, SCE has identified an error present in the definition of "Loss" that incorrectly identifies the indemnifying party.

The revision to Section 2 – Definitions of the GIP, GIP Appendix 5.2 (Cluster GIA), and GIP Appendix 6.2 (ISP GIA) will correct language that previously exempted the party seeking indemnification from the consequences of intentional wrongdoing or grossly negligent behavior and was inconsistent with Article 18.1 of the *pro forma* GIA.

7. Collector System Information

SCE's engineering, planning, and grid contracts staff have identified a need for additional information to ensure that system impacts are accurately identified and upgrade costs accurately allocated. SCE proposes revisions to Appendix 1 to the GIP, Attachment A, Sections 2 and 9 that will provide that crucial information.

8. Additional/Miscellaneous Corrections/Clarifications

These proposed revisions include resolving conflicting language, correction of misspellings and punctuation errors, updating documents to allow for use of the DocuSign electronic signature technology, and updated/corrected contact information in the WDAT. In addition, where a proposed new article or section has been added, subsequent existing articles or sections have been re-numbered. These variations are ministerial, non-substantive edits that provide clarity to SCE's GIP; thus, they are consistent with, or superior to, the GIP previously approved by the Commission. A matrix of such changes is attached to this Transmittal Letter as Appendix C.

IV. Enclosed Filings

Enclosed for filing are the following documents:

- This transmittal letter;
- Appendices A, B and C to this transmittal letter;

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- A clean and red-lined copy of the WDAT;
- A clean and red-lined version of Attachment A to the WDAT
- A clean and red-lined version of Attachment C to the WDAT
- A clean and red-lined version of Attachment I to the WDAT
- A clean and red-lined version of Attachment I, Appendix 3 to the GIP (Generator Interconnection Study Process Agreement for the Cluster Study Process);
- A clean and red-lined version of Attachment I, Appendix 4 to the GIP (Independent Study Process Study Agreement for the Independent Study Process)
- A clean and red-lined version of Attachment I, Appendix 5.2 to the GIP (Generator Interconnection Agreement, Cluster Study Process, for Queue Cluster 5 and subsequent clusters);
- A clean and red-lined version of Attachment I, Appendix 6.2 to the GIP (Generator Interconnection Agreement, Independent Study Process);
- A clean and red-lined version of Attachment I, Appendix 7 to the GIP (Generator Interconnection Agreement, Fast Track Process).

V. Effective Date

SCE respectfully requests that the Commission accept the revised WDAT provisions and make them effective on May 30, 2018, 61 days after this filing.

VI. INFORMATION REQUIRED BY 18 C.F.R. § 35.13 AND WAIVER REQUESTS

This filing is best characterized as a rate change other than a rate increase. Given the unique, individualized nature of interconnection service, no comparisons or forecasts of revenue would be meaningful. SCE believes that the data contained in the letter provides sufficient information upon which to accept the filing; however, to the extent necessary, SCE requests that the Commission waive its filing requirements contained in Section 35.13 (18 C.F.R. § 35.13) of the Commission's regulations. Also, SCE states that no expenses or costs in connection with this service agreement have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices. SCE requests an effective date of May 30, 2018 for the reasons already set forth in this letter. Inquiries regarding this filing should be made to the undersigned. SCE will serve this filing on the CPUC and the CAISO. SCE also has emailed a copy of the filing to its current WDAT customers.

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VII. CONCLUSION

For the foregoing reasons, SCE respectfully submits that the WDAT Revisions proposed herein are just and reasonable and the changes to the pro forma GIAs are consistent with or superior to SCE's current pro forma GIAs. SCE requests that the Commission approve this filing and allow the revisions to go into effect within sixty-one (61) days of this filing, in order to ensure that interconnection customers are able to take advantage of the applicable provisions herein and the benefits that the changes proposed in this filing would effect.

SCE requests that all correspondence, pleadings, and other communications concerning this filing be served upon:

Gary Chen
Senior Attorney
Southern California Edison Company
P.O. Box 800
2244 Walnut Grove Avenue
Rosemead, California 91770
Gary.Chen@sce.com

SCE also requests that an additional copy of any correspondence and orders be sent to the undersigned at Karen.Koyano@sce.com.

Very truly yours,

/s/ Karen Koyano

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FEDERAL ENERGY REGULATORY COMMISSION

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Appendix A

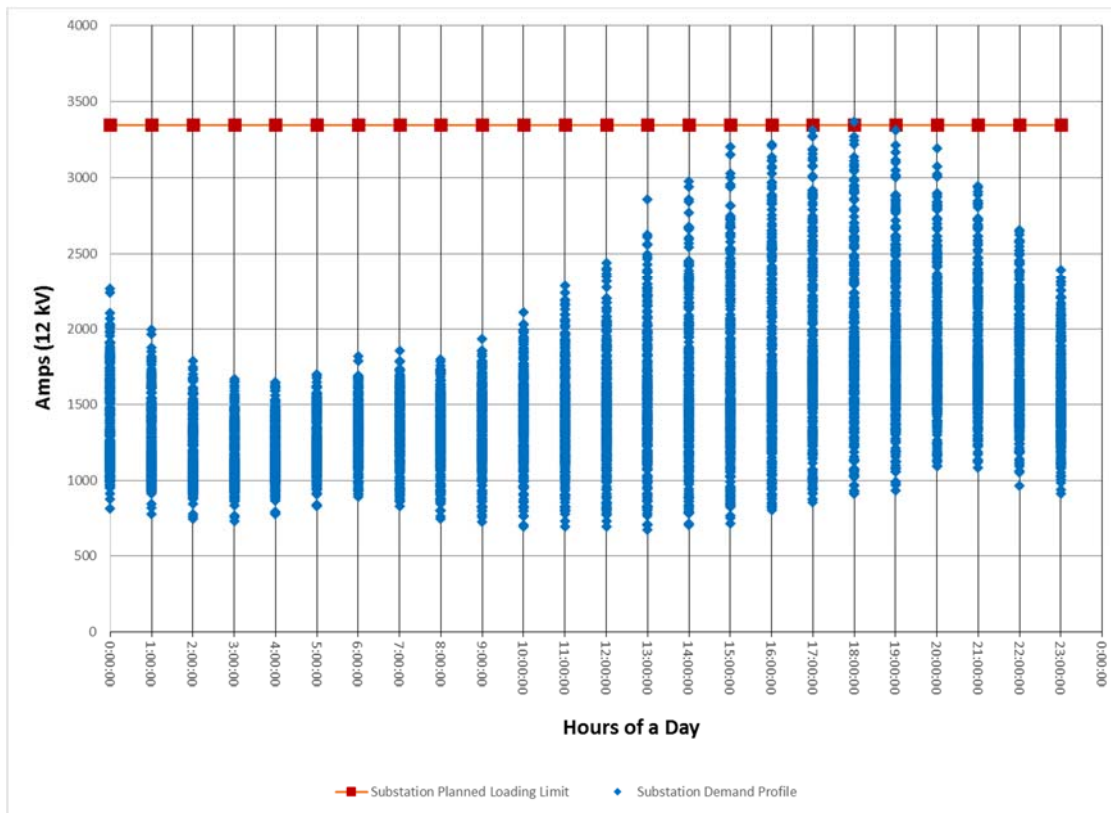
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Examples of Charging Parameters

SCE provides energy storage interconnection customers with a non-binding preliminary analysis of the ability of SCE’s existing distribution system to accommodate the load/charging demand of the energy storage device. This analysis is provided through the WDAT Interconnection System Impact Study or Interconnection Study process. In order to provide potential future charging restrictions, SCE provides a forecast model that illustrates Substation (B-Bank) level restrictions. One example of that analysis is shown as follows.

SCE incorporates load assumptions, historical B-Bank data, and adjustments to reflect the worst case planning year. Figure 1-1 provides an illustration of a forecast worst case year B-Bank Hourly Demand Performance that helps establish the charging limitations for a storage project at the substation level. This chart below, explains that the storage project will have no charging availability between 17:00 and 19:00 times for that worst case year projection.

Figure 1-1 Substation Hourly Demand Forecast Profile



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Using the B-Bank Hourly Demand Performance shown in Figure 1-1, SCE is able to analyze and create an estimate of the number of hours that the charging facility will be restricted from charging at a given demand value in a given month. The restricted charging hours of this estimate is shown in Figure 1-2 below. This chart shows that during the summer months (June-September) there will be more charging restricted hours based on the charging demand for that project. Additionally, for the month of July, the customer can expect 51 Hours of charging restrictions if they choose to charge with a demand of 10 MW. This result can be lowered if the customer elects to charge with a lower demand of 5 MW with only 21 hours of restricted charging.

Figure 1-2 Restricted Charging Hour Table

#Number of Charging Hours Restricted for (1) 10 MW Energy Storage System													
# of Charging Hours Restricted for each MW Value													
MW \ Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
0	0	0	0	0	0	10	10	7	3	4	0	0	
1	0	0	0	0	0	10	10	9	3	4	0	0	
2	0	0	0	0	0	10	12	10	3	4	0	0	
3	0	0	0	0	0	11	15	11	3	4	0	0	
4	0	0	0	0	0	13	17	12	3	4	0	0	
5	0	0	0	0	0	14	21	12	3	4	0	0	
6	0	0	0	0	0	14	29	17	3	4	0	0	
7	0	0	0	0	0	14	32	20	3	4	0	0	
8	0	0	0	0	0	14	40	24	3	4	0	0	
9	0	0	0	0	0	16	47	26	4	4	0	0	
10	0	0	0	0	0	20	51	34	5	4	0	0	
Total Hours Restricted:	0	0	0	0	0	20	51	34	5	4	0	0	
% Hours Restricted:	0%	0%	0%	0%	0%	3%	7%	5%	1%	1%	0%	0%	
# of Hours in Month:	744	672	744	720	744	720	744	744	720	744	720	744	

Chart Reflects MW evaluation as follows: (0MW) =0-1 MW, (1MW) =1-2MW, ETC.

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SCE also provides a Charging Hour Restriction Table that shows potential limited charging and no charging times allowed for a 10 MW Storage Project as shown in Figure 1-3. This example illustrates that there will be charging restrictions in the month of July from the hours of 13:00 to 21:00 (Blue color). Additionally it conveys that there is no charging allowed in the Month of August from the hours of 17:00 and 18:00 (Red Color).

Figure 1-3 Restricted Substation Charging Hours Table

Months Time	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
0:00												
1:00												
2:00												
3:00												
4:00												
5:00												
6:00												
7:00												
8:00												
9:00												
10:00												
11:00												
12:00												
13:00							Blue					
14:00							Blue	Blue				
15:00						Blue	Blue	Blue				
16:00						Blue	Blue	Blue				
17:00						Blue	Blue	Red				
18:00						Blue	Blue	Red				
19:00						Blue	Blue	Blue				
20:00						Blue	Blue	Blue				
21:00						Blue	Blue	Blue				
22:00												
23:00												

Charging Hour Restrictions of Day for (1) 10 MW Storage Project

	No charging allowed	Limited charging allowed	Unlimited charging allowed
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Appendix B

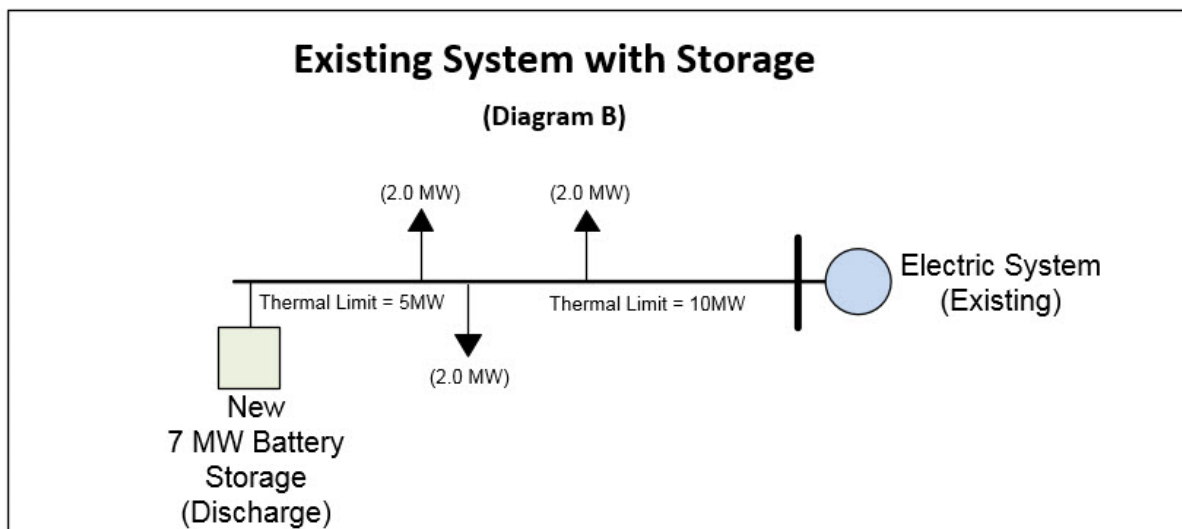
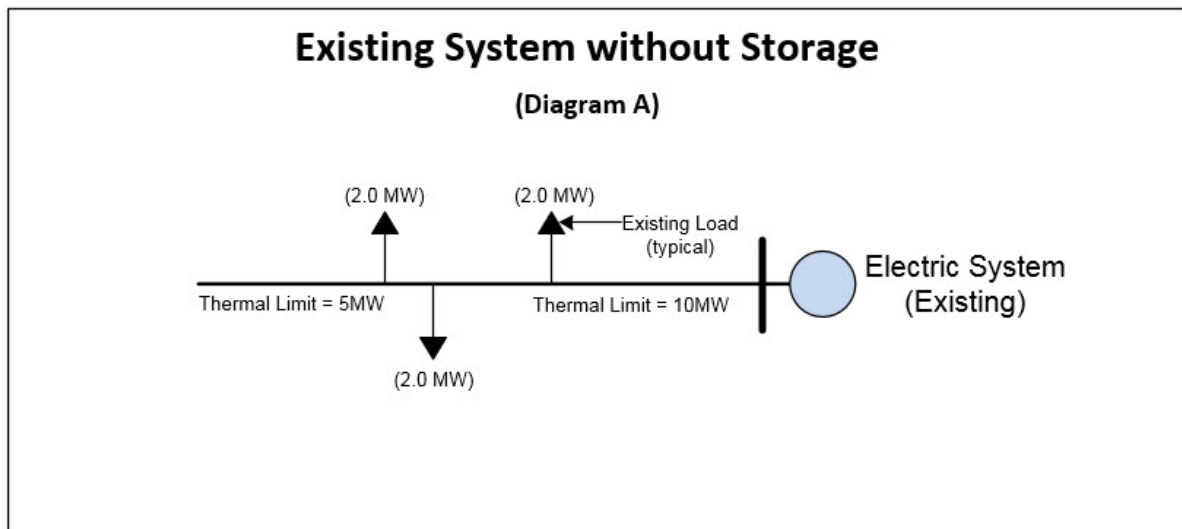
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Study of Energy Storage Systems on the Grid Example

Battery storage systems are capable of injecting power to the system and are capable of absorbing power from the system. Because of this capability, a storage system must be studied on the grid as 1) Generator and 2) Load. In the example below, Diagram A shows the existing electric system without storage. Diagram B shows the same system with request for a 7 MW battery storage project.



The generation and load study results for the storage system are produced by different types of studies which may identify distinct and separate types of required upgrades.

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For the generation study, as shown in Diagram C, this example shows that the storage system under generation (discharge) mode causes an overload on a section of the line (Dashed Line).

The load study results as shown on Diagram D indicate that the system loading due to the charging of the energy storage triggers additional upgrades separate and distinct from those triggered by the generation study. While the upgrades that may be identified by the generation study might also partially support load on the circuit, the load study would identify significantly more upgrades than were identified by the generation study. This is because the distribution system already has a large amount of load which when adding charging of energy storage would increase the total load significantly. In this example, the original load on the circuit was 6 MW and adding the battery load would increase the gross load to 13 MW, overloading the portion of the circuit designated by the red dotted line in Diagram D, an issue that would not be mitigated solely by the upgrades identified in the generation study. In addition to the distribution circuit overload, the charging increase will appear as load to the substation and higher voltage systems (SCE's 66 kV and 115 kV subtransmission systems) which may also cause overloads to those systems.

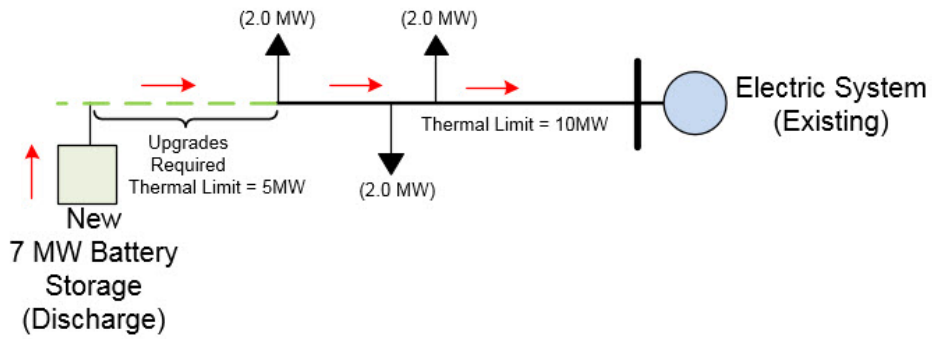
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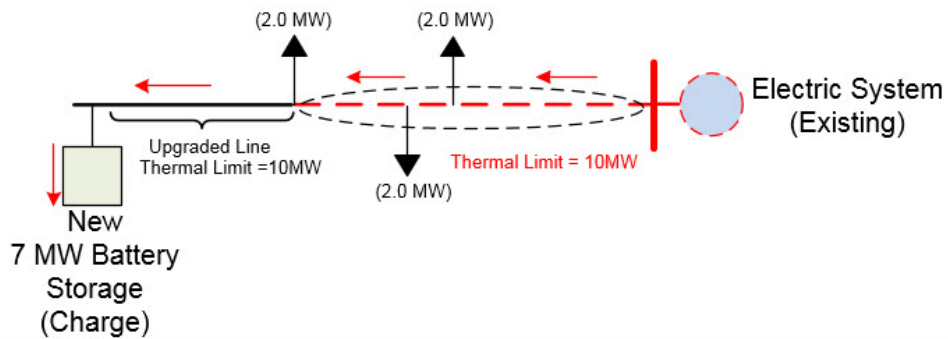
Existing System with Storage as Generator

(Diagram C)



Existing System with Storage as Load

(Diagram D)



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Appendix C

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**Additional/Miscellaneous Corrections/Clarifications
Unrelated to Energy Storage**

WDAT Provision	Proposed Revision
Section 12.12	Conflicting- Operating Instructions Replace reference to obsolete CAISO Tariff Section with correct section “Otherwise, the Distribution Customer shall adhere to ISO Tariff provision 4.22.3.1.2 and...”
Section 13.6	Distribution Customer Facilities The provision of Distribution Service shall be conditioned upon the Distribution Customer's planning, constructing, maintaining and operating the facilities on its side of the Point of Receipt or Point of Delivery necessary to reliably deliver capacity and energy to the Distribution Provider's Distribution System or accept capacity and energy from the Distribution Provider's Distribution System in accordance with Good Utility Practice. Except as otherwise provided under the Tariff, the Distribution Customer [...]
Section 15.1	CLGIP, or GIP set forth in Attachments F, - H, and I, respectively
Section 15.2	Written applications should be submitted by mail or e-mail Telefax to the Distribution Provider, Southern California Edison Company, Manager, Grid Contracts and Business Development, P.O. Box 800, 2244 Walnut Grove Avenue, Rosemead, California 91770, e-mail grid.interconnections@sce.comtelefax number (818) 302-9292 . (i) The identity, address, telephone number and e-mail facsimile number of the party requesting service;
Section 15.2(vi)	<ul style="list-style-type: none"> - Operating restrictions - Any periods of restricted operations -throughout the year - Maintenance schedules
GIP Section 6.10.1	the Interconnection Request shall be deemed withdrawn.
Appendix 1 to GIP (IR request form) Section 4(a)	Street Address: City, State: County: Zip Code: GPS Coordinates: Assessor's Parcel Numbers (if available):
Appendix 5.2 Article 5.17.3	Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Distribution Provider. [...] (ii) any Governmental Authority directs Distribution Provider to report payments or property transfers as income subject to taxation; [...] The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten (10) year testing period
Appendix 5.2 Article 25.3	Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, --- Distribution
Appendix 6.2	THIS GENERATOR INTERCONNECTION AGREEMENT (“GIA” or “Agreement”) is made and entered into this ___ day of _____, 20__
Appendix 6.2 Article 25.3	Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, --- Distribution

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Appendix 7 to GIP Fast Track GIA	Contact information (after Table of Contents) Distribution Provider Information E-mail/Fax: _____ Interconnection Customer Information E-mail/Fax: _____
Appendix 7 Article 13.1	If to the Interconnection Customer: E-mail/Fax: _____ If to the Distribution Customer: E-mail/Fax: _____
Appendix 7 Article 13.3	If to the Interconnection Customer: E-mail/Fax: _____ If to the Distribution Customer: E-mail/Fax: _____
Appendix 7 Article 13.4	Interconnection Customer's Operating Representative: E-mail/Fax: _____ Distribution Provider's Operating Representative E-mail/Fax: _____
Attachment A, Section 6	Delete specific contact info for Distribution Provider
Appendix 3 to GIP GISPA	THIS GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT ("AGREEMENT") is made and entered into this ___ day of _____, 20__ by and
Appendix 4 to GIP	THIS INDEPENDENT STUDY PROCESS STUDY PROCESS AGREEMENT ("AGREEMENT") is made and entered into this ___ day of _____, 20__ by and
Appendix 5.2 to GIP Cluster GIA	THIS GENERATOR INTERCONNECTION AGREEMENT ("GIA" or "Agreement") is made and entered into this ___ day of _____, 20__
Appendix 7 to GIP Fast Track GIA	After Table of Contents THIS INTERCONNECTION AGREEMENT ("Agreement" or "GIA") is made and entered into this ___ day of _____, 20__
Section 12.1	The Distribution Provider shall include the Distribution Customer's- Generation....

1. Preamble and Applicability

1.1 (Not Used)

1.2 Applicability

The Distribution Provider will provide Distribution Service pursuant to the applicable terms and conditions contained in this Tariff and Service Agreement. The Tariff is applicable for the transportation of capacity and energy that is (1) generated or purchased by a Distribution Customer at a generation source and transported to the ISO Grid using the Distribution Provider's Distribution System, ~~or~~ (2) generated or purchased by a Distribution Customer from generation sources and transported from the ISO Grid to the Distribution Customer's Service Area using the Distribution Provider's Distribution System, or (3) generated or purchased by a Distribution Customer from generation sources and transported from the ISO Grid to the Distribution Customer's Resource for the Charging Demand, using the Distribution Provider's Distribution System. The Tariff is also applicable for delivery to the ISO Grid of any capacity and energy generated or purchased by the Distribution Provider that uses the Distribution Provider's Distribution System. Distribution Service shall be provided between the Distribution Provider's interconnection with the ISO Grid and the Distribution Customer's interconnection with the Distribution Provider's Distribution System. The Distribution Customer shall obtain and pay for Transmission Service from the ISO for such energy and capacity delivered to the ISO Grid or for energy and capacity received from the ISO Grid pursuant to the terms and conditions of the ISO Tariff and the TO Tariff. Service hereunder shall not be available if the Commission would be prohibited from ordering such service under Section 212(h) of the Federal Power Act.

2. Definitions

Terms used in this Tariff with initial capitalization shall have the meanings set forth below. The singular of any definition shall include the plural and the plural shall include the singular.

- 2.1 Application: A request by an Eligible Customer for Distribution Service pursuant to the provisions of this Tariff.
- ~~2.2~~ Charging Capacity: The capacity provided under a Service Agreement to meet the Charging Demand of a Resource that includes storage, subject to available capacity on the Distribution System and any operating conditions and/or limitations as may be set forth in the Service Agreement.
- ~~2.3-~~ Charging Demand: The flow of wholesale electric energy from the Distribution System solely to charge the storage component of the Eligible Customer's Resource from the Distribution System for later redelivery of such energy, net of Resource losses, to the Distribution System. Charging Demand does not include the delivery of energy for purposes that are subject to the Distribution Provider's retail tariff.
- ~~2.42~~ Commission: The Federal Energy Regulatory Commission.
- ~~2.53~~ Completed Application: An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.
- ~~2.64~~ Curtailment: A reduction in Distribution Service by the Distribution Provider in response to a Distribution System capacity shortage as a result of system reliability conditions or pursuant to a directive of the ISO.
- ~~2.75~~ Direct Assignment Facilities: Facilities or portions of facilities that are constructed by the Distribution Provider for the sole use/benefit of a particular Distribution Customer requesting service under the Tariff. Direct Assignment

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Facilities shall be specified in the Service Agreement that governs service to the Distribution Customer and shall be subject to Commission approval.

- 2.~~86~~ Distribution Customer: Any Eligible Customer that (i) executes a Service Agreement or (ii) requests in writing that the Distribution Provider file with the Commission, a proposed unexecuted Service Agreement to receive Distribution Service pursuant to the terms of the Tariff.
- 2.~~97~~ Distribution Provider: Southern California Edison Company, the public utility that owns, controls, and operates facilities used for the distribution of electric energy and provides Distribution Service under the Tariff.
- 2.~~108~~ Distribution Service: The wholesale distribution service provided under the Tariff.
- 2.~~119~~ Distribution System: Those non-ISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide Distribution Service under the Tariff.
- 2.~~120~~ Distribution System Upgrades: Modifications or additions to the Distribution Provider's Distribution System for the general benefit of all users of such Distribution System.
- 2.~~134~~ Eligible Customer: Any electric utility (including the Distribution Provider and any power marketer), Federal power marketing agency, or any person generating or storing electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy purchased or generated by such entity may be electric energy produced in the United States, Canada or Mexico. However, no entity is eligible for service hereunder that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act.

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- 2.1~~42~~ End-Use Customer: A customer that takes final delivery of electric power and does not resell the power.
- 2.1~~53~~ Facilities Study: An engineering study conducted by the Distribution Provider to determine the required modifications to the Distribution Provider's Distribution System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested Distribution Service.
- 2.1~~64~~ Generation: The capacity and energy delivered from a Resource.
- 2.1~~75~~ Good Utility Practice: Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the Western Systems Coordinating Council region.
- 2.1~~86~~ ISO: The California Independent System Operator Corporation, a state-chartered, nonprofit, public benefit corporation that controls certain transmission facilities of all Participating TOs and dispatches certain generating units and loads.
- 2.1~~97~~ ISO Grid: The system of transmission lines and associated facilities of the Participating TOs that have been placed under the ISO's operational control.

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- 2.~~2018~~ ISO Tariff: The California Independent System Operator Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time, and accepted by the Commission.
- 2.~~2119~~ Load Shedding: The systematic reduction of system demand by temporarily decreasing load in response to Distribution System capacity shortages, system instability, or voltage control considerations under the Tariff or pursuant to a directive of the ISO.
- 2.2~~20~~ Participating Transmission Owner (TO): An entity which (i) owns, operates, and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities and (ii) has transferred to the ISO operational control of such facilities and/or entitlements to be made part of the ISO Grid.
- 2.2~~31~~ Parties: The Distribution Provider and the Distribution Customer receiving service under the Tariff.
- 2.2~~42~~ Point of Delivery: A point on the Distribution Provider's Distribution System where wholesale capacity and energy generated by the Distribution Customer's Resource will be delivered to the ISO Grid, or where wholesale capacity and energy delivered by the Distribution Provider will be made available to the Distribution Customer to serve Wholesale Distribution Load or Charging Demand. The Point of Delivery shall be specified in the Service Agreement.

- 2.2~~53~~ Point of Receipt: A point on the Distribution Provider's Distribution System where wholesale capacity and energy generated by the Distribution Customer's Resource will be delivered to the Distribution Provider, or where wholesale capacity and energy purchased by a Distribution Customer is delivered from the ISO Grid to the Distribution Provider. The Point of Receipt shall be specified in the Service Agreement.
- 2.2~~64~~ Power Customers: The wholesale and retail power customers of the Distribution Provider on whose behalf the Distribution Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Distribution Provider's distribution system to meet the reliable electric needs of such customers.
- 2.2~~75~~ Resource: Any generating facility owned by a Distribution Customer that is capable of producing, and/or storing for later injection, and delivering energy to the ISO Grid.
- 2.2~~86~~ Service Agreement: The initial agreement and any amendments or supplements thereto entered into by the Distribution Customer and the Distribution Provider for service under the Tariff.
- 2.2~~97~~ Service Area: An area in which an electric utility is obligated to provide electric service to End-Use customers.
- 2.3~~028~~ Service Commencement Date: The date the Distribution Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Distribution Provider begins to provide service in accordance with Section 14.1 of the Tariff.
- 2.3~~129~~ System Impact Study: An assessment by the Distribution Provider of (i) the adequacy of the Distribution System to accommodate a request for

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Distribution Service and (ii) whether any additional costs may be incurred in order to provide Distribution Service.

2.3~~20~~ Tariff: This Wholesale Distribution Access Tariff.

2.3~~34~~ TO Tariff: A tariff setting out a Participating TO's rates and charges for transmission access to the ISO Grid, filed with the Commission on March 31, 1997, as it may be amended or superseded, and accepted by the Commission.

2.3~~42~~ Transmission Service: The transmission service provided over the ISO Grid under the terms and conditions of the ISO Tariff and the TO Tariff.

2.3~~53~~ Wholesale Distribution Load: The End-Use Customers' load that a Distribution Customer serves from distribution facilities that it owns or controls to deliver capacity and energy to such End-Use Customers and for which Distribution Service is obtained under the Tariff.

12. Nature of Distribution Service

12.1 Distribution Provider Responsibilities

The Distribution Provider will plan, construct, operate and maintain its Distribution System in accordance with Good Utility Practice in order to provide the Distribution Customer with Distribution Service over the Distribution Provider's Distribution System. The Distribution Provider shall include the Distribution Customer's- Generation or Wholesale Distribution Load in its Distribution System planning and shall, consistent with Good Utility Practice, endeavor to construct and place into service sufficient Distribution System facilities to deliver the Distribution Customer's Generation to the ISO Grid or the Distribution Customer's power to serve its Wholesale Distribution Load on a basis comparable to the Distribution Provider's delivery of power to the ISO Grid or to the Distribution Provider's Power Customers.

12.2 Term

The minimum term for Distribution Service shall be one year.

12.3 (Not Used)

12.4 (Not Used)

12.5 Service Agreements

The Distribution Provider shall offer a standard form Service Agreement for Wholesale Distribution Service (Attachment A) to an Eligible Customer when it submits a Completed Application for Distribution Service. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

12.6 (Not Used)**12.7. Load Shedding and Curtailment of Distribution Service****12.7.1 Procedures**

Prior to the Service Commencement Date, the Distribution Provider and the Distribution Customer shall establish Load Shedding and Curtailment procedures pursuant to the applicable Attachment B or Attachment C of the Tariff with the objective of responding to contingencies on the Distribution System. The Parties will implement such programs during any period when the Distribution Provider determines that a Distribution System contingency exists and such procedures are necessary to alleviate such contingency. The Distribution Provider will notify the Distribution Customer in a timely manner of the existence of such contingency.

12.7.2 Distribution Constraints

During any period when the Distribution Provider determines that a constraint exists on all or a portion of its Distribution System, and such constraint may impair the reliability of its Distribution System, the Distribution Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Distribution Provider's Distribution System.

12.7.3 Curtailments of Scheduled Deliveries

If a constraint on the Distribution Provider's Distribution System cannot be relieved through the implementation of other procedures and the Distribution Provider determines that it is necessary to Curtail ISO-scheduled deliveries, the Parties shall Curtail such ISO schedules in accordance with the applicable Attachment B or Attachment C of the Tariff.

12.7.4 Allocation of Curtailments

The Distribution Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieves the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be proportionately shared by the Distribution Provider and Distribution Customer. The Distribution Provider shall not direct the Distribution Customer to Curtail ISO schedules to an extent greater than the Distribution Provider would Curtail the Distribution Provider's ISO schedules under similar circumstances. Notwithstanding the foregoing, the Distribution Service provided for the Charging Demand is based on existing Distribution System capacity and is subject to Curtailment by the Distribution Provider, on an equitable and non-discriminatory basis, but before the Curtailment of Power Customers' retail load and Wholesale Distribution Load, to the extent practicable and consistent with Good Utility Practice.

12.7.5 Load Shedding

To the extent that a system contingency exists on the Distribution Provider's Distribution System and the Distribution Provider determines that it is necessary for the Distribution Provider and the Distribution Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the applicable Attachment B or Attachment C of the Tariff.

12.7.6 System Reliability

Notwithstanding any other provisions of this Tariff, the Distribution Provider reserves the right, consistent with Good Utility Practice and on a

not unduly discriminatory basis, to Curtail Distribution Service without liability on the Distribution Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Distribution Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Distribution Provider's Distribution System or on any other system(s) directly or indirectly interconnected with the Distribution Provider's Distribution System, the Distribution Provider, consistent with Good Utility Practice, also may Curtail Distribution Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to distribution facilities, or (iii) expedite restoration of service. The Distribution Provider will give the Distribution Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Distribution Service will not be unduly discriminatory relative to the Distribution Provider's use of the Distribution System. The Distribution Provider shall specify in the Service Agreement the rate treatment and all related terms and conditions applicable in the event that the Distribution Customer fails to respond to established Load Shedding and Curtailment procedures.

12.8 (Not Used)

12.9 Scheduling of Distribution Service

Separate schedules for Distribution Service shall not be required under this Tariff. In transmission schedules submitted to the ISO, the Distribution Customer shall include its Generation, Charging Demand or Wholesale Distribution Load,

including applicable Distribution System real power losses, for which Distribution Service is being provided pursuant to this Tariff.

12.10 Self Provision of Ancillary Services

Nothing in this Tariff is intended to limit a Distribution Customer in the self provision or sale of Ancillary Services, to the extent the Distribution Customer is eligible to self provide or sell Ancillary Services under the terms of the ISO Tariff or contracts, except when emergency conditions preclude such provision of ancillary services. Except to the extent that a Distribution Customer may be called upon to provide reactive power support consistent with the operations of the Distribution Provider, a Distribution Customer must maintain power factor at the interface between the Distribution Customer's facilities and the Distribution Provider's facilities pursuant to Section 20.4.

12.11 Conflict With ISO Tariff

If a Distribution Customer identifies a conflict between this Tariff and the ISO Tariff, the Distribution Provider and the Distribution Customer shall make good-faith efforts to resolve the conflict. If the Parties are unable to informally resolve the conflict, the Parties may use the Dispute Resolution Procedures set forth in Section 9 of this Tariff.

12.12 Conflicting- Operating Instructions

In the event a Distribution Customer receives conflicting operating instructions from the ISO, one or more Participating TO(s), or the Distribution Provider, and, if human safety would not knowingly be jeopardized nor electric facilities subject to damage while the Distribution Customer seeks to reconcile the conflict with the appropriate ISO, Participating TO and/or Distribution Provider employees before acting, the Distribution Customer should attempt a reconciliation. Otherwise, the

Distribution Customer shall adhere to ISO Tariff provision [4.22.3.1.2](#) and follow the ISO's instructions. In no event shall a Distribution Customer be required to follow operating instructions from the ISO if following those instructions would knowingly jeopardize human safety.

12.13 Changes in Service Requests

Under no circumstances shall the Distribution Customer's decision to change its requested Distribution Service in any way relieve the Distribution Customer of its obligation to pay the costs of facilities constructed by the Distribution Provider and charged to the Distribution Customer as reflected in the Service Agreement. However, the Distribution Provider must treat any requested change in Distribution Service in a non-discriminatory manner.

12.14 Annual Generation or Wholesale Distribution Load and Information Updates

The Distribution Customer shall provide the ISO and the Distribution Provider with annual updates of Generation or Wholesale Distribution Load forecasts consistent with those included in its Application for Distribution Service under the Tariff. The Distribution Customer also shall provide the Distribution Provider with timely written notice of material changes in any other information provided in its Application relating to the Distribution Customer's Generation or Wholesale Distribution Load or other aspects of its facilities or operations affecting the Distribution Provider's ability to provide reliable service.

13. Service Availability**13.1 General Conditions**

The Distribution Provider will provide Distribution Service over its Distribution System for the transportation of capacity and energy generated by a Distribution Customer or purchased by a Distribution Customer from generation sources located outside of the Distribution Customer's Service Area using the Distribution Provider's Distribution System. Distribution Service will be provided between the Point of Receipt and the Point of Delivery on a basis that is comparable to the Distribution Provider's use of the Distribution System to deliver power to the ISO Grid or to reliably serve the Distribution Provider's Power Customers.

13.2 (Not Used)**13.3 (Not Used)****13.4 (Not Used)****13.5 Technical Arrangements to be Completed Prior to Commencement of Service**

Distribution Service shall not commence until the Distribution Provider and the Distribution Customer, or a third party, have completed installation of all equipment specified under the Service Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Distribution System. The Distribution Provider shall exercise reasonable efforts, in coordination with the Distribution Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

13.6 Distribution Customer Facilities

The provision of Distribution Service shall be conditioned upon the Distribution Customer's planning, constructing, maintaining and operating the facilities on its side of the Point of Receipt or Point of Delivery necessary to reliably deliver capacity and energy to the Distribution Provider's Distribution System or accept capacity and energy from the Distribution Provider's Distribution System in accordance with Good Utility Practice. Except as otherwise provided under the Tariff, ~~T~~the Distribution Customer shall be solely responsible for constructing or installing all facilities on the Distribution Customer's side of each such Point of Receipt or Point of Delivery. The terms and conditions under which the Distribution Customer shall operate its facilities and the technical and operational matters associated with the implementation of the Tariff are specified in Attachment B for Wholesale Distribution Load and Attachment C for Resources.

13.7 (Not Used)

13.8 (Not Used)

13.9 Real Power Losses

Real Power Losses are associated with all distribution service. The Distribution Provider is not obligated to provide Real Power Losses. The Distribution Customer is responsible for replacing losses associated with all Distribution Service as calculated by the Distribution Provider. Real Power Losses associated with Distribution Service are calculated by multiplying the metered quantity, whether energy or demand, by the Real Power Loss Factor calculated by the Distribution Provider. For Resources, the Real Power Loss Factor shall be: (i) 1.12% credit for the output and 1.12% loss for the Charging Demand of Resources interconnected at distribution voltages of 50 kV and above; or (ii)

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3.73% credit for the output and 3.73% loss for the Charging Demand of
Resources interconnected at distribution voltages below 50 kV and greater than or
equal to 2 kV.

For Wholesale Distribution Loads, the applicable Real Power Loss Factors for
Distribution Service over the Distribution System will be set forth in the Service
Agreement.

15. Procedures for Arranging Distribution Service

15.1 Interconnection

An Eligible Customer requesting interconnection of a Wholesale Distribution Load to the Distribution Provider's Distribution System shall follow the procedures set forth in Section 15.2 to request interconnection and Distribution Service. An Eligible Customer requesting interconnection of a Large Generating Facility to the Distribution Provider's Distribution System shall follow the LGIP, CLGIP, or GIP set forth in Attachments F, H, and I, respectively, to request Interconnection Service and Section 15.2 to request Distribution Service. An Eligible Customer requesting interconnection of a Small Generating Facility to the Distribution Provider's Distribution System shall follow the SGIP or GIP set forth in Attachments G and I, respectively, to request Interconnection Service and Section 15.2 to request Distribution Service. If the Eligible Customer requests both Interconnection Service and Distribution Service at the same time, the Distribution Provider shall process such requests concurrently in accordance with the applicable LGIP, CLGIP, SGIP, or GIP. The LGIP is closed to new interconnection requests as of August 11, 2008. The SGIP and CLGIP are closed to new interconnection requests as of March 2, 2011.

15.2 Completed Application

An Eligible Customer requesting service under the Tariff must submit an Application, with a deposit of \$2.00 per anticipated average monthly kilowatts of Generation or Wholesale Distribution Load, except that the deposit shall be waived for an Eligible Customer that contemporaneously submits with its Application a valid interconnection request and associated deposit or fee for the Resource associated with such Generation, to the Distribution Provider as far as

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possible in advance of the month in which service is to commence. In the event that the monthly charge for Distribution Service is less than \$2.00 per kilowatt, the Distribution Provider will refund the difference, with interest, to the Eligible Customer at the same time it tenders the Service Agreement. The Distribution Provider may provide for an abbreviated Application procedure and may waive the requirement for a deposit when an Eligible Customer requests that an existing distribution service be converted to Distribution Service under this Tariff.

Distribution Service to Wholesale Distribution Loads and Resources that has, prior to the effective date of this Tariff, received wholesale service over distribution facilities subject to this Tariff shall be exempted from tariff provisions requiring submission of deposits prior to receipt of service. This exemption shall not apply, however, to the extent that the Wholesale Distribution Loads and Resources whose service is to be continued require new or additional facilities. The deposit in this situation shall not exceed one month's payment associated with such facilities. Written applications should be submitted by mail or ~~e-mail~~ ~~Telefax~~ to the Distribution Provider, Southern California Edison Company, ~~Grid Interconnection & Contract~~ ~~Manager, Grid Contracts and Business~~ Development, P.O. Box 800, 2244 Walnut Grove Avenue, Rosemead, California 91770, ~~e-mail~~ ~~grid.interconnections@sce.com~~ ~~telefax number~~ ~~(818) 302-9292~~.

These methods will provide a date-stamped record for establishing the priority of the Application. A Completed Application shall provide all applicable information required to evaluate a request for Distribution Service, including but not limited to the following:

- (i) The identity, address, telephone number and ~~e-mail~~ ~~facsimile number~~ of the party requesting service;

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- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point of Receipt or Point of Delivery;
- (iv) A description of the Wholesale Distribution Load at the Point of Delivery. This description should separately identify and provide the Eligible Customer's best estimate of the Wholesale Distribution Load to be served and the distribution voltage level. The description should include a five (5) year forecast of monthly Wholesale Distribution Load requirements beginning with the first year after the service is scheduled to commence;
- (v) The amount and location of any interruptible loads included in the Wholesale Distribution Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 5 year Wholesale Distribution Load forecast provided in response to (iv) above;
- (vi) A description of the Resource located within the distribution area (current and 5-year projection of monthly Generation), which shall include:
 - Unit size and amount of capacity from that unit
 - VAR capability (both leading and lagging) of all generators
 - Requested Charging Capacity, if applicable
 - Operating restrictions

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- Any periods of restricted operations ~~_____~~
throughout the year
 - Maintenance schedules
- (vii) A written demonstration that the Eligible Customer will have the necessary contractual arrangements or existing contracts in place to receive transmission service over the ISO Grid prior to the commencement of Distribution Service under the Tariff;
- (viii) The Service Commencement Date and the term of the requested Distribution Service; and
- (ix) Such other information the Distribution Provider reasonably requires to process the Application.

Unless the parties agree to a different time frame, the Distribution Provider must acknowledge the Application within ten (10) days of receipt. The acknowledgment must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Distribution Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Distribution Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Distribution Provider shall return the Application to the Eligible Customer and shall refund the deposit, with interest, less reasonable costs incurred by the Distribution Provider in connection with the review of the Application. The Distribution Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may

contest if there is a dispute concerning the deducted costs. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Distribution Provider's account. The Distribution Provider shall treat all information provided by the Eligible Customer consistent with the standards of conduct contained in Part 37 of the Commission's regulations. Requests for Distribution Service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the parties.

15.3 (Not Used)

15.4 (Not Used)

15.5 (Not Used)

15.6 Execution of Service Agreement

Whenever the Distribution Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. If a Service Agreement is executed, the deposit, with interest calculated pursuant to Section 15.2, will be returned to the Distribution Customer upon the earlier of (1) the expiration or termination of the Service Agreement; or (2) after the Distribution Customer has paid its bills for Distribution Service in accordance with the terms of the Tariff for 60 consecutive months. Where a System Impact Study is required, the provisions of Section 16 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 16.3, within fifteen (15) days after it is tendered by the Distribution Provider will be deemed a withdrawal and

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termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

15.7 (Not Used)

21. Compensation for Distribution Service**21.1 Charges Under the Tariff**

The Distribution Customer shall pay the Distribution Provider the Monthly Charge for Distribution Service, applicable study costs, and any penalties assessed pursuant to the Service Agreement, consistent with Commission policy. Any charges for Real Power Losses, Ancillary Services, and Transmission Service shall be paid by the Distribution Customer pursuant to the ISO Tariff or TO Tariff.

21.2 Monthly Charge for Distribution Service

The Distribution Customer shall pay the Distribution Provider the applicable monthly Customer Charge and Demand Charge set forth in the Service Agreement.

21.2.1 Determination of the Monthly Charge for Distribution Service to Serve Wholesale Distribution Load

The rates charged for Distribution Service from the ISO Grid to Wholesale Distribution Load shall be based on the costs of only those Distribution System facilities used to provide Distribution Service to the Distribution Customer. Upon receipt of a Completed Application, the Distribution Provider will undertake an engineering study, and any other studies pursuant to Section 16, if required, to identify such facilities. The costs of the identified facilities, including any Direct Assignment Facilities and Distribution System Upgrades, shall be directly assigned or allocated to the Distribution Customer based on the Distribution Customer's proportionate share of the total load served from the facilities. Such proportionate share shall be based on the non-coincident peak demands

served by those facilities. A traditional revenue requirement will be calculated for the costs of the identified facilities directly assigned and allocated to the Distribution Customer. The monthly Demand Charge shall be calculated by dividing the Distribution Customer's annual revenue requirement for the identified facilities allocated to the Distribution Customer by the sum of the Distribution Customer's twelve monthly maximum peak demands imposed on the Distribution System. The monthly Facilities Charge shall be calculated by dividing the Distribution Customer's annual revenue requirement for the identified facilities directly assigned to the Distribution Customer by twelve. The monthly Customer Charge shall be based on the annual revenue requirement for customer accounting expenses attributable to the Distribution Customer.

21.2.2 Monthly Charge for Distribution Service for Generation or Charging Demand

The rate charged for Distribution Service for Generation from the Resource to the ISO Grid or Charging Demand from the ISO Grid to the Resource shall be based only on the costs of those Distribution System facilities which are fully directly assigned to the Distribution Customer. Upon receipt of a Completed Application, the Distribution Provider will undertake an engineering study, and any other studies pursuant to Section 16, if required, to identify such facilities. The costs of the identified facilities shall include any Direct Assignment Facilities and Distribution System Upgrades. A traditional revenue requirement will be calculated for the costs of the identified facilities. The monthly Facilities Charge shall be calculated by dividing the Distribution Customer's annual revenue requirement for the identified facilities by twelve. The monthly Customer

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Charge shall be based on the annual revenue requirement for customer accounting expenses attributable to the Distribution Customer.

ATTACHMENT A

FORM OF SERVICE AGREEMENT FOR WHOLESALE DISTRIBUTION SERVICE

1. This Service Agreement, dated as of _____, is entered into, by and between Southern California Edison Company ("Distribution Provider"), and _____ ("Distribution Customer").
2. The Distribution Customer has been determined by the Distribution Provider to have a Completed Application for Distribution Service under the Tariff.
3. The Distribution Customer has provided to the Distribution Provider an Application deposit in the amount of \$_____, in accordance with the provisions of Section 15.2 of the Tariff.
4. Service under this Service Agreement shall commence on the later of (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Distribution System Upgrades specified in Sections 7.0 and 8.0 of the attached Specifications For Wholesale Distribution Service are completed and all additional requirements are met pursuant to Section 13.5 of the Tariff, or (3) such other date as it is permitted to become effective by the Commission. Service under this Service Agreement shall terminate on _____.
5. The Distribution Provider agrees to provide and the Distribution Customer agrees to take and pay for Distribution Service in accordance with the provisions of the Tariff and this Service Agreement.
6. Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

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Distribution Provider:

Southern California Edison Company

_____ ~~Manager, Grid Contracts and Business~~
~~Development~~
_____ ~~P. O. Box 800~~
_____ ~~2244 Walnut Grove Avenue~~
_____ ~~Rosemead, California 91770~~
_____ ~~Telefax No. (818) 302-9292~~
_____ ~~Telephone No. (818) 302-1771~~

Distribution Customer:

7. The Tariff and attached Specifications For Wholesale Distribution Service are incorporated herein and made a part hereof.

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IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Distribution Provider:

By: _____
Name Title Date

Distribution Customer:

By: _____
Name Title Date

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SPECIFICATIONS FOR WHOLESALE DISTRIBUTION SERVICE

1. Term of Transaction:

Service Commencement Date:

Termination Date:

2. For a Resource connected to the Distribution Provider's Distribution System, a description of capacity and energy to be transmitted by Distribution Provider and a five year forecast of monthly Generation: _____

3. Point of Receipt: _____

Point of Delivery: _____

Receiving Party: _____

4. Description of Wholesale Distribution Load at the Point of Delivery (including a five year forecast of monthly load requirements): _____

5. Interruptible Load amount (summer and winter), location and conditions/limitations (five year forecast): _____

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6. ~~For Resources, the maximum amount of e~~Capacity and energy to be transmitted.

6.1 For Resources:

Generation: _____

Charging Capacity, if applicable: _____

6.2 For Wholesale Distribution Load, the estimated peak load for informational purposes only:

7. Direct Assignment Facilities: _____

8. Distribution System Upgrades required prior to the commencement of service:

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9. Real Power Loss Factors: _____

10. Power Factor: The Distribution Customer is required to maintain its power factor within a range of 0.95 lagging to 0.95 leading (or, if so specified in the Service Agreement, a greater range), pursuant to Good Utility Practice. This provision recognizes that a Distribution Customer may provide reactive power support in accordance with Section 12.10 (Self Provision of Ancillary Services), of this Tariff. _____

11. Distribution Service under this Agreement will be subject to the charges detailed below.

11.1 Customer Charge: _____

11.2 Demand Charge: _____

11.3 Facilities Charge: _____

11.4 System Impact and/or Facilities Study Charge(s): _____

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12. Letter of credit or alternative form of security to be provided and maintained by

Distribution Customer pursuant to Sections 8 and 16.4 of the Tariff: _____

ATTACHMENT C

TECHNICAL AND OPERATIONAL IMPLEMENTATION OF THE TARIFF FOR GENERATION RESOURCES

1. Metering And Communications Equipment: Data retrieval requirements, procedures, and schedules shall generally be consistent with ISO requirements. The Distribution Provider shall not impose metering and communication equipment requirements pursuant to the Tariff and the Service Agreement that are more stringent than the ISO's metering and communication requirements.
 - 1.1 Distribution Customer shall install, own, and maintain revenue quality meters in accordance with the ISO Tariff.
 - 1.1.1 Distribution Customer shall read or retrieve meter data as may be required to carry out the provisions of Section 10 of the ISO Tariff. Distribution Customer shall report the meter data to the ISO and Distribution Customer's scheduling coordinator, as applicable.
 - 1.1.2 The revenue meters shall be tested by the Distribution Customer in accordance with the requirements of the ISO Tariff. The Distribution Customer shall immediately repair, adjust, or replace any meter or associated equipment found to be defective or inaccurate.
 - 1.2 The Distribution Customer and the Distribution Provider shall install communications facilities, equipment, and software to schedule and monitor the Distribution Customer's Resource connected to the Distribution Provider's Distribution System, to exchange data, and for any other purpose as reasonably

required to implement the Service Agreement and the Tariff in accordance with Good Utility Practice. Such communications facilities, equipment, and software may include metering equipment, in addition to that required in Section 1.1, installed, owned, operated and maintained by the Distribution Provider, at the Distribution Customer's expense.

- 1.3 All metering, communications, and data exchanges required to implement the Service Agreement and the Tariff shall be automated to the greatest extent practical. The Operating Representatives shall coordinate standards and specifications for metering and communications equipment as well as any related hardware and software required to implement the Service Agreement and the Tariff, provided such metering and communications equipment and any related hardware and software shall, if possible, be compatible with the Distribution Provider's existing or planned facilities or software, meet all applicable ISO, Western Systems Coordinating Council ("WSCC") and North American Electric Reliability Council ("NERC") requirements, and be consistent with Good Utility Practice.
- 1.4 The Distribution Customer shall procure, install and maintain, at its sole expense, communications equipment, and any related hardware and software required to be installed on its system in accordance with Section 1. The Distribution Customer shall reimburse the Distribution Provider for all expenses incurred by the Distribution Provider for any metering and communications equipment, and related hardware and software, including any modifications to existing facilities

or software required for the Distribution Provider to provide service in accordance with the Service Agreement and the Tariff.

2. Interconnection of Distribution Customer's Resource:

2.1 The Distribution Customer shall interconnect its Resource with the Distribution Provider's Distribution System in accordance with all applicable ISO, WSCC and NERC criteria, and Good Utility Practice.

2.2 Except as otherwise provided under the Tariff, ~~T~~the Distribution Customer, at its sole expense, shall design, own, procure, install, operate and maintain all equipment and facilities, including the Resource, on its side of the Point of Receipt (Distribution Customer's Facilities). The Distribution Provider shall design, own, install, and maintain all facilities necessary to interconnect the Distribution Customer's Resource on the Distribution Provider's side of the Point of Receipt (Distribution Provider's Facilities) at the Distribution Customer's sole expense to the extent permitted by Commission policies. Such facilities shall include any equipment necessary to protect the Distribution Provider's electric system, employees, and customers from damage or injury arising out of or connected with the operation of the Distribution Customer's Facilities, including, but not limited to, short circuit protection, breaker closing/reclosing control, unit tripping, loss of synchronism, overcurrent/under current devices such as relays, remote terminal units, circuit breakers, and meters. The Distribution Customer's Facilities, and their operation and maintenance, shall meet the Distribution Provider's specifications and shall be subject to inspection and testing by the

Distribution Provider. The Distribution Customer's Facilities shall be designed, constructed, operated and maintained as follows:

2.2.1 Design

(a) Distribution Customer, at Distribution Customer's sole expense, shall:

- (1) Design Distribution Customer's Facilities ;
- (2) Acquire all permits and other approvals necessary for the construction, operation, and maintenance of Distribution Customer's Facilities; and
- (3) Complete all environmental impact studies necessary for the construction, operation, and maintenance of Distribution Customer's Facilities.

(b) At the Distribution Provider's request, the Distribution Customer shall provide to the Distribution Provider the Distribution Customer's electrical specifications and design drawings pertaining to Distribution Customer's Facilities for the Distribution Provider's review prior to finalizing the design of Distribution Customer's Facilities and before beginning construction work based on such specifications and drawings. The Distribution Customer shall provide to the Distribution Provider reasonable advance written notice of any changes in Distribution Customer's Facilities and provide to the Distribution Provider specifications and design drawings of any such changes for the Distribution Provider's review and approval. The Distribution Provider may require modifications to such specifications

and designs as it deems necessary to allow the Distribution Provider to operate the Distribution Provider's electric system in accordance with Good Utility Practice.

- (c) The total installed capacity (net of Station Use) of the Distribution Customer's Resources shall not exceed the Nameplate Rating.

2.2.2 Construction

- (a) The Distribution Customer, at the Distribution Customer's sole expense, shall construct Distribution Customer's Facilities.
- (b) The Distribution Provider shall have the right to review and consult with the Distribution Customer regarding the Distribution Customer's construction schedule.
- (c) The Distribution Provider shall have the right to periodically inspect the Distribution Customer's Facilities prior to initial operation upon advance notice to the Distribution Customer. The Distribution Customer, at its option, may be present at such inspection.

2.2.3 Operation

- (a) The Distribution Customer shall operate Distribution Customer's Facilities in accordance with any applicable ISO, NERC or WSCC criteria and Good Utility Practice, including, but not limited to, following voltage schedules, free governor response, meeting power factor requirements at the Point of Receipt, equipment maintenance coordination, and communication of necessary data, information, or reports.

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- (b) The Distribution Customer shall operate its Resource to generate such reactive power or provide individual power factor correction as necessary to maintain voltage levels and reactive power support as may be required by the Distribution Provider. The Distribution Customer shall not deliver excess reactive power to the Distribution Provider unless otherwise agreed upon between the Parties. If the Distribution Customer fails to provide reactive power support, the Distribution Provider may do so at the Distribution Customer's expense.
- (c) The Distribution Customer's Resource shall be designed and operated so as to prevent or protect against the following adverse conditions on the Distribution Provider's electric system: inadvertent and unwanted re-energization of a utility dead line or bus; interconnection while out of synchronization, overcurrent, voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits, poor power factor or reactive power outside permitted limits; and abnormal waveforms.
- (d) Distribution Customer's Facilities shall be operated with all of the Distribution Customer's protective apparatus in service whenever its Resource is connected to, or is operated in parallel with, the Distribution Provider's electric system. Any deviation for brief periods of emergency or maintenance shall only be by agreement of the Parties.

- (e) The Distribution Customer shall maintain operating communications with the Distribution Provider's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.
- (f) The Distribution Provider may require the Distribution Customer, at the Distribution Customer's expense, to demonstrate to the Distribution Provider's satisfaction the correct calibration and operation of the Distribution Customer's protective apparatus at any time the Distribution Provider has reason to believe that said protective apparatus may impair the Distribution Provider's electric system integrity.

2.2.4 Maintenance

- (a) The Distribution Customer shall maintain Distribution Customer's Facilities in accordance with Good Utility Practice.
- (b) The Parties shall cooperate with one another in scheduling maintenance to any interconnection facility or in taking any interconnection facility out of service, provided that in an emergency the Distribution Provider may take facilities out of service if necessary to protect the Distribution Provider's system.

(c) The Distribution Customer shall notify the Distribution Provider by January 1, May 1, and September 1 of each year, of the estimated scheduled maintenance for the succeeding four months.

2.2.5 The Distribution Customer shall not commence parallel operation of Distribution Customer's Facilities with the Distribution Provider's electric system until written approval for operation of the interconnection facilities has been given by the Distribution Provider. Such approval shall not be unreasonably withheld. The Distribution Customer shall notify the Distribution Provider of the Distribution Customer's intent to energize the interconnection facilities not less than forty-five (45) calendar days prior to such energizing. The Distribution Provider shall have the right to inspect Distribution Customer's Facilities within thirty (30) calendar days of receipt of such notice. If the Distribution Customer's Facilities are not approved by the Distribution Provider, the Distribution Provider shall provide written notice to the Distribution Customer stating the reasons for the Distribution Provider's disapproval within five (5) calendar days of the inspection.

2.2.6 The Distribution Customer shall provide written notice to the Distribution Provider at least fourteen (14) calendar days prior to the initial and subsequent testing of the Distribution Customer's protective apparatus. The Distribution Customer's protective apparatus shall be tested thereafter at intervals not to exceed four (4) years for system voltages less than 66kV, two (2) years for system voltages of 66kV to 200kV, and one (1)

year for system voltages of 200kV and above. All such tests shall be performed using qualified personnel. The Distribution Provider shall have the right to have a representative present at the initial and subsequent testing of the Distribution Customer's protective apparatus and to receive copies of the test results.

- 2.2.7 The Distribution Customer shall be responsible for the installation, operation and maintenance of equipment to protect Distribution Customer's facilities in such a manner that faults or other disturbances on the Distribution Provider's electric system do not cause damage to Distribution Customer's facilities. As set forth in Section 12.1 of the Tariff, the Distribution Provider will plan, construct, operate and maintain its Distribution System in accordance with Good Utility Practice in order to provide the Distribution Customer with stable, reliable, and high quality Distribution Service over the Distribution Provider's Distribution System.
- 2.2.8 Review by the Distribution Provider of the design, construction, operation, or maintenance of Distribution Customer's Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Distribution Customer shall in no way represent to any third party that any such review by the Distribution Provider of such facilities including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Distribution Provider is a representation by the Distribution Provider as to the economic or technical feasibility,

operational capability, or reliability of such facilities. The Distribution Customer is solely responsible for economic and technical feasibility, operational capability, and reliability of Distribution Customer's Facilities.

- 2.3 The Distribution Customer shall keep the Distribution Provider informed on a timely basis of changes in Generation and cooperate in planning any addition to or upgrade of interconnection facilities to accommodate additions to Generation. The Distribution Customer shall provide to the Distribution Provider by September 1 of each year an update of the information set forth in Section 2 of the Specifications for Wholesale Distribution Service for the following five calendar years.
3. Each party shall appoint an Operating Representative for the purpose of facilitating communication between the parties, exchanging data on forecasted Generation necessary for long-term planning, coordinating operating criteria and activities, developing detailed operating procedures as necessary, and addressing other technical and operational considerations required for implementation of the Service Agreement and Tariff. The Operating Representatives shall not have any authority to modify, amend, terminate, or supersede any provision of the Service Agreement or Tariff; or to require any expansion of or addition to the Distribution Provider's Distribution System. The Distribution Provider shall have the authority to adopt rules or procedures for the implementation of the Service Agreement and the Tariff that are consistent with such Service Agreement and Tariff, provided that the Distribution Customer shall not be deemed to have waived any right it may have to contest such rules or procedures before the Commission or any other forum having jurisdiction over the Service Agreement.

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4. Each Party shall, upon request, provide the other Party with such reports and information concerning its operation as are reasonably necessary to enable each Party to operate its distribution system safely and efficiently.

5. Load Shedding and Curtailment Procedures: If a system contingency or constraint requires Curtailment of ISO schedules, the Distribution Customer shall curtail its ISO schedules as requested by the Distribution Provider. Such ISO schedule Curtailments shall be implemented only to the extent that they effectively mitigate the contingency or relieve the constraint, ~~or that they are directed by the ISO, and to the extent practical, shall be made on a pro-rata basis, based on the share of the total load served from the constrained facility, with all other distribution service users of the affected path, including the Distribution Provider.~~ Such Curtailment shall continue only for so long as reasonably necessary under Good Utility Practice and shall be made on an equitable, non-discriminatory basis with respect to all Resources directly connected to the Distribution System.

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ATTACHMENT I

GENERATOR

INTERCONNECTION PROCEDURES (GIP)

Tariff Record Proposed Effective Date:

~~05/03/2014~~/2018

~~10~~.0.0

—Version Number:

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Option Code: A

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**Appendix 10 – Application, Procedures, and Terms and Conditions for Interconnecting a
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GENERATOR INTERCONNECTION PROCEDURES (GIP)

Section 1. Objectives and Applicability

1.1 Objectives

The objective of this GIP is to implement the requirements for Generating Facility interconnections to the Distribution System. This GIP applies to all Generating Facilities, regardless of size. GIP Sections 2, 3 and 8-11 are general provisions applicable to all Interconnection Requests. GIP Sections 4, 5, 6, and 7 apply to Interconnection Requests submitted under the Cluster Study Process, the Independent Study Process, the Fast Track Process, and the Under 10 kW Inverter Process, respectively.

1.2 Applicability

The applicability of each process is as follows:

The Cluster Study Process is available to any Interconnection Customer that (1) is proposing to interconnect a proposed Generating Facility with the Distribution Provider's Distribution System, (2) is seeking to increase the capacity of a Generating Facility that has achieved Commercial Operation, or (3) is exercising the option to seek Full Capacity Deliverability Status or Partial Capacity Deliverability Status in accordance with GIP Section 4.7. The Cluster Study Process shall be used by an Interconnection Customer if its Generating Facility (1) does not qualify for the Independent Study Process, the Fast Track Process, or the Under 10 kW Inverter Process; (2) does not pass the Electrical Independence Test under the Independent Study Process; or (3) is certified but did not pass the Fast Track Process or the Under 10 kW Inverter Process.

The Independent Study Process is available to any Interconnection Customer that is either proposing to interconnect a proposed Generating Facility with the Distribution Provider's Distribution System or is seeking to increase the capacity of a Generating Facility that has achieved Commercial Operation, and that is electrically independent of Interconnection Requests from any earlier-queued Generating Facilities.

The Fast Track Process is available to any Interconnection Customer proposing to interconnect a proposed certified Generating Facility with the Distribution Provider's Distribution System that meets the eligibility requirements of GIP Section 6.1.1 and that meets the codes, standards, and certification requirements of Appendices 8 and 9 of these procedures, or the Distribution Provider has reviewed the design or tested the proposed Generating Facility and is satisfied that it is safe to operate.

The Under 10 kW Inverter Process is available to any Interconnection Customer proposing to interconnect a proposed certified inverter-based Generating Facility no larger than 10 kilowatts (kW).

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The procedures relevant to the Transition Process, as applicable, for interconnection requests transitioning from the Clustering Large Generator Interconnection Procedures (Attachment H to the Tariff) and the Small Generator Interconnection Procedures (Attachment G to the Tariff) to the processes set forth in this GIP are detailed in Appendix 2 to the GIP.

Section 2. Definitions

Terms used in this GIP with initial capitalization shall have the meanings set for below. The singular of any definition shall include the plural and the plural shall include the singular. If a term with initial capitalization used herein is not defined, such term shall have the meanings ascribed to such term in Section 1 of the Tariff.

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 Distribution Provider's Distribution System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

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

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

Annual Full Capacity Deliverability Study shall mean the annual deliverability study performed by the ISO described in GIP Section 4.7, under which a Generating Facility previously studied as Energy-Only Deliverability Status will have an option to determine whether it can be designated for Full Capacity Deliverability Status or Partial Capacity Deliverability Status using available transmission capacity.

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

Applicable Reliability Council shall mean the reliability council applicable to the Distribution System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Distribution System to which the

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Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.

Area Deliverability Constraint shall mean a Transmission System operating limit that either (a) would constrain the deliverability of a substantial number of generators if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to additional generating facilities in one or more specified geographic or electrical areas of the ISO Grid in a total amount that is greater than the TP Deliverability for those areas; (b) constrains a quantity of generation in a local area of the grid that is larger than the generation amount identified in the applicable transmission planning process portfolio for the entire portfolio area; or (c) constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

Area Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve an Area Deliverability Constraint.

Base Case shall mean data including, but not limited to, base power flow, short circuit and stability data bases, underlying load, generation, and transmission facility assumptions, contingency lists, including relevant special protection systems, and transmission diagrams used to perform the Interconnection Studies. The Base Case may include Critical Energy Infrastructure Information (as that term is defined by FERC). The Base Case shall include transmission facilities as approved by the Distribution Provider or ISO, as applicable, and Distribution Upgrades and Network Upgrades associated with generating facilities in (iv) below and generating facilities that (i) are directly interconnected to the Distribution System or ISO Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to the Distribution System or an Affected System; or (iv) are not interconnected to the Distribution System or ISO Grid, but are subject to a fully executed generator interconnection agreement (or its equivalent predecessor agreement) or for which an unexecuted generator interconnection agreement (or its equivalent predecessor agreement) has been requested to be filed with FERC.

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

Breaching Party shall mean a Party that is in Breach of the GIA.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

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

Charging Capacity shall mean the capacity provided under the GIA to meet the Charging Demand of a Generating Facility that includes storage, subject to available capacity on the Distribution System and any operating conditions and/or limitations as may be set forth in the GIA.

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Charging Demand shall mean the flow of wholesale electric energy from the Distribution System solely to charge the storage component of the Generating Facility from the Distribution System for later redelivery of such energy, net of Generating Facility losses, to the Distribution System. Charging Demand does not include the delivery of energy for purposes that are subject to the Distribution Provider's retail tariff.

Cluster Application Window shall mean the time period for submitting Interconnection Requests under the Cluster Study Process as set forth in GIP Section 4.1.

Cluster Study Process shall mean the interconnection study process set forth in GIP Section 4.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale or storing electricity for later resale, excluding electricity generated or stored during Trial Operation.

Commercial Operation Date of an Electric Generating Unit shall mean the date on which an Electric Generating Unit at a Generating Facility commences Commercial Operation as agreed to by the Parties.

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.

Construction Activities shall mean actions by the Distribution Provider that result in irrevocable financial commitments for the purchase of major electrical equipment or land for Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer that occur after receipt of the appropriate governmental approvals needed for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

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 an Applicable Reliability Council.

CPUC shall mean the California Public Utilities Commission or its successor.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with the GIA.

Deliverability shall mean the annual Net Qualifying Capacity (as defined in the ISO Tariff) of a Generating Facility, as verified through a Deliverability Assessment and measured in MW,

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which specifies the amount of resource adequacy capacity the Generating Facility is eligible to provide.

Deliverability Assessment(s) shall mean an evaluation performed by the ISO pursuant to the ISO's On-Peak Deliverability Assessment posted on the ISO's website, to determine if a Generating Facility or a group of Generating Facilities could provide energy to the ISO Grid and be delivered to the aggregate of load on the ISO Grid at peak load, under a variety of severely stressed conditions as further described in GIP Section 4.5.4.2.

Delivery Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, other than Reliability Network Upgrades, identified in the Interconnection Studies to relieve constraints on the ISO Grid. Delivery Network Upgrades may be further classified as Local Delivery Network Upgrades or Area Delivery Network Upgrades.

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

Distribution Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the GIA to the extent necessary.

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

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

Distribution Service shall mean the wholesale distribution service provided under the Tariff.

Distribution System shall mean those non-ISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide Distribution Service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

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

Effective Date shall mean the date on which the GIA 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 or storage device and its associated plant and apparatus whose electrical output is capable of being separately identified and metered.

Electrical Independence Test shall mean the test set forth in GIP Section 5.5 used to determine eligibility for the Independent Study Process.

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

Energy-Only Deliverability Status shall mean a condition on the ISO Grid elected by an Interconnection Customer for a Generating Facility interconnected to Distribution System, the result of which is that the Interconnection Customer is responsible only for the costs of Reliability Network Upgrades and is not responsible for the costs of Delivery Network Upgrades, but the Generating Facility will be deemed to have a Net Qualifying Capacity (as defined in the ISO Tariff) of zero and, therefore, cannot be considered to be a Resource Adequacy Resource (as defined in the ISO Tariff).

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

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

Fast Track Process shall mean the interconnection study process set forth in GIP Section 6.

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

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

Full Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that could be as large as its Qualifying Capacity (as defined in the ISO Tariff) and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO.

Generating Facility shall mean Interconnection Customer's Electric Generating Unit(s) used for the production and/or storage for later injection of electricity identified in the 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 Electric Generating Units.

Generator Interconnection Agreement (GIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility processed pursuant to the GIP, *pro forma* versions of which are set forth in Appendix 5 to the GIP for Interconnection Requests under the Cluster Study Process, Appendix 6 to the GIP for Interconnection Requests under the Independent Study Process, Appendix 7 to the GIP for Interconnection Requests under the Fast Track Process, and Appendix 10 to the GIP for Interconnection Requests under the Under 10 kW Inverter Process. For an Interconnection Customer who chooses a state-jurisdictional generator interconnection agreement pursuant to GIP Section 4.9.1, the *pro forma* version will be the CPUC-approved form Rule 21 GIA.

Generator Interconnection Procedures (GIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Generating Facility set forth in this Attachment I to the Tariff.

Generator Interconnection Study Process Agreement shall mean the agreement entered into by the Interconnection Customer and the Distribution Provider which sets forth the Parties' agreement to perform Interconnection Studies under the Cluster Study Process, a *pro forma* version of which is set forth in Appendix 3 of the GIP.

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

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or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

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

Group Study shall mean the process whereby more than one Interconnection Request are studied together, instead of individually, for the purpose of conducting one or more of the Interconnection Studies or analyses therein.

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.

Independent Study Process shall mean the interconnection study process set forth in GIP Section 5.

Independent Study Process Study Agreement shall mean the agreement entered into by the Interconnection Customer and the Distribution Provider which sets forth the Parties' agreement to perform Interconnection Studies under the Independent Study Process, a *pro forma* version of which is set forth in Appendix 4 to the GIP.

Initial Synchronization Date shall mean the date upon which the Generating Facility 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 Distribution Provider's Interconnection Facilities to obtain back feed power.

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

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in the GIA, 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

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Facility to the Distribution Provider's Distribution System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Distribution Provider'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 Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Distribution Provider for an Interconnection Customer under the Independent Study Process to determine a list of facilities (including Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Distribution Provider's Distribution System. The scope of the study is defined in GIP Section 5.8.2.1.

Interconnection Financial Security shall mean any of the financial instruments listed in GIP Sections 4.8.1 and 5.9.1 provided by the Interconnection Customer to comply with its obligations under the GIP or the GIA.

Interconnection Handbook shall mean a handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. Distribution Provider'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 the Generator Interconnection Procedures (GIP) and the terms of the Distribution Provider's Interconnection Handbook, the terms in the GIP shall govern.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the GIP or Appendix 10 to the GIP, as applicable, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Distribution Provider's Distribution System, or to change the deliverability status of a Generating Facility previously studied as having Energy-Only Deliverability Status.

Interconnection Service shall mean the service provided by the Distribution Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Distribution Provider's Distribution System and enabling it to receive, or deliver for the Charging Demand, electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the GIA and, if applicable, the Distribution Provider's Tariff.

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Interconnection Study shall mean any of the following studies: the Phase I Interconnection Study, the Phase II Interconnection Study, the Interconnection System Impact Study and the Interconnection Facilities Study.

Interconnection Study Cycle shall mean all requirements, actions, and respective obligations of the Distribution Provider and Interconnection Customer under the Cluster Study Process of the GIP applicable to an Interconnection Request submitted in a particular Cluster Application Window.

Interconnection Study Deposit shall mean the cash deposit provided to the Distribution Provider under GIP Sections 4.2.1 or 5.2.1 as a requirement of a valid Interconnection Request to be used to offset the cost of the Interconnection Studies.

Interconnection System Impact Study shall mean an engineering study conducted by the Distribution Provider for an Interconnection Customer under the Independent Study Process that evaluates the impact of the proposed interconnection on the safety and reliability of Distribution Provider's Distribution System and, if applicable, an Affected System. The scope of the study is defined in GIP Section 5.8.1.1.

IRS shall mean the Internal Revenue Service.

ISO shall mean the California Independent System Operator Corporation, a state-chartered, nonprofit, corporation that controls certain transmission facilities of all Participating Transmission Owners and dispatches certain generating units and loads.

ISO Grid shall mean the system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the ISO's operational control.

ISO's Generator Interconnection Procedures (ISO Tariff GIP) shall mean the procedures included in either Appendix Y or Appendix DD of the ISO Tariff to interconnect a Generating Facility directly to the ISO Grid, as such procedures may be modified from time to time, and accepted by the Commission.

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

Local Deliverability Constraint shall mean a Transmission System operating limit that would be exceeded if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to one or more additional Generating Facilities interconnecting to the ISO Grid in a specific local area, and that is not an Area Deliverability Constraint.

Local Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve a Local Deliverability Constraint.

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

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

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

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

Network Upgrades shall mean Delivery Network Upgrades and Reliability Network Upgrades.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the GIA or its performance.

Off-Peak Deliverability Assessment shall mean the technical study performed under GIP Section 4.5.4.2.2.

On-Peak Deliverability Assessment shall mean the technical study performed under GIP Section 4.5.4.2.1.

Partial Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that cannot be larger than a specified MW amount of its Qualifying Capacity (as defined in the ISO Tariff), and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO. An Interconnection Customer requesting Partial Capacity Deliverability Status must specify the MW amount of Full Capacity Deliverability Status it is seeking in its Interconnection Request.)

Party or Parties shall mean Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Phase I Interconnection Study shall mean the engineering study conducted by the Distribution Provider, that evaluates the impact of the proposed interconnection on the safety and reliability of the Distribution System, ISO Grid and, if applicable, an Affected System. The portion of the study required to evaluate the impacts on the ISO Grid will be directed by the ISO and will be completed in a manner consistent with the ISO Tariff GIP. The study shall identify and detail the system impacts that would result if the Generating Facility(ies) were

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interconnected without identified project modifications or system modifications, as provided in the On-Peak Deliverability Assessment or Off-Peak Deliverability Assessment, and other potential impacts, including but not limited to those identified in the Scoping Meeting as described in the GIP. The study will also identify the approximate total costs of mitigating these impacts, along with an equitable allocation of those costs to Interconnection Customers for their individual Generating Facilities.

Phase II Interconnection Study shall mean an engineering and operational study conducted by the Distribution Provider to determine the Point of Interconnection and a list of facilities (including Distribution Provider's Interconnection Facilities, Network Upgrades, Distribution Upgrades, and Stand Alone Network Upgrades), the estimated cost of those facilities, and the estimated time required to interconnect the Generating Facility(ies) with the Distribution System. The portion of the study required to evaluate the impacts on the ISO Grid will be directed by the ISO and will be completed in a manner consistent with the ISO Tariff GIP.

Point of Change of Ownership shall mean the point, as set forth in the GIA, where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in the GIA, where the Interconnection Facilities connect to the Distribution Provider's Distribution System.

Pre-Construction Activities shall mean the actions by the Distribution Provider, other than those required by an Engineering and Procurement Agreement under GIP Section 8, undertaken prior to Construction Activities in order to prepare for the construction of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer, including, but not limited to, preliminary engineering, permitting activities, environmental analysis, or other activities specifically needed to obtain governmental approvals for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

Queue Cluster shall mean a set of Interconnection Requests in an Interconnection Study Cycle processed pursuant to the Cluster Study Process.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the GIP or the GIA, 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.

Reliability Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, necessary to interconnect one or more Generating Facility(ies) safely and reliably to the ISO Grid, which would not have been necessary but for the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary

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for system operating limits, occurring under any system condition, which system operating limits cannot be adequately mitigated through the ISO's congestion management, operating procedures, or special protection systems based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with the Applicable Reliability Council's practice and Applicable Reliability Standards, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.

Results Meeting shall mean the meeting among the Distribution Provider, the Interconnection Customer, and if applicable, the ISO and other Affected System Operators to discuss the results of the Interconnection Studies as set forth in the GIP.

Rule 21 shall mean SCE's Electric Tariff Rule 21 specified in the Distribution Provider's tariff on file with the CPUC.

Rule 21 GIA shall mean the form of interconnection agreement applicable to an Interconnection Request for an Interconnection Customer who chooses a state-jurisdictional generator interconnection agreement pursuant to GIP Section 4.9.1, the *pro forma* version of which will be the CPUC-approved form Rule 21 generator interconnection agreement for projects studied under the Cluster Study Process.

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

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

Site Exclusivity Deposit shall mean the cash deposit provided to the Distribution Provider by Interconnection Customers under GIP Section 4.2.1 [or 5.2.1](#) as an option in lieu of demonstrating Site Exclusivity for a valid Interconnection Request and treated in accordance with GIP Section 4.2.1.2 [or 5.2.1.2](#).

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

Smart Inverter shall mean a Generating Facility's inverter that performs functions that when activated can autonomously contribute to grid support during excursions from normal operating voltage and frequency system conditions by providing dynamic reactive/real power support, voltage and frequency ride-through, ramp rate controls, communication systems with ability to accept external commands and other functions.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Distribution Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in an Appendix to the GIA.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Distribution Provider's Distribution System, the ISO 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 Distribution Provider's Distribution System, the ISO Grid or on other delivery systems or other generating systems to which the Distribution Provider's Distribution System and Transmission System is directly connected.

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

TP Deliverability shall mean the capability, measured in MW, of the ISO Grid as modified by transmission upgrades and additions modeled or identified in the annual Transmission Plan to support the interconnection with Full Capacity Deliverability Status or Partial Capacity Deliverability Status of additional Generating Facilities in a specified geographic or electrical area of the ISO Grid.

Transmission Plan shall mean the report prepared by the ISO on an annual basis pursuant to Section 24 of the ISO Tariff, which documents the outcome of the ISO's transmission planning process by which the ISO assesses the ISO Grid.

Transmission System shall mean those transmission facilities owned by the Distribution Provider or that have been placed under the ISO's operational control and are part of the ISO Grid.

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

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Uncontrollable Force shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force event does not include acts of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force.

Under 10 kW Inverter Process shall mean the interconnection study process set forth in GIP Section 7.

Section 3. General Provisions Applicable to All Interconnection Requests

3.1 Pre-Application

- 3.1.1 The Distribution Provider shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on the Distribution Provider's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Distribution Provider's Distribution System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The Distribution Provider shall comply with reasonable requests for such information.
- 3.1.2 In addition to the information described in GIP Section 3.1.1, which may be provided in response to an informal request, an Interconnection Customer may submit a formal written request form along with a non-refundable fee of \$300 for a pre-application report on a proposed project at a specific site. The Distribution Provider shall provide the pre-application data described in GIP Section 3.1.3 to the Interconnection Customer within twenty (20) Business Days of receipt of the completed request form and payment of the \$300 fee. The pre-application report produced by the Distribution Provider is non-binding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the Distribution Provider's system. The written pre-application report request form shall include the information in GIP Sections 3.1.2.1 through 3.1.2.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection.

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- 3.1.2.1 Project contact information, including name, address, phone number, and email address.
 - 3.1.2.2 Project location (street address with nearby cross streets and town)
 - 3.1.2.3 Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.
 - 3.1.2.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)
 - 3.1.2.5 Size (alternating current kW)
 - 3.1.2.6 Single or three phase generator configuration
 - 3.1.2.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)
 - 3.1.2.8 Is new service requested? Yes or No? If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.
- 3.1.3 Using the information provided in the pre-application report request form in GIP Section 3.1.2, the Distribution Provider will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by the Distribution Provider does not necessarily indicate, after application of the screens and/or study, that this would be the circuit the project ultimately connects to. The Interconnection Customer must request additional pre-application reports if information about multiple Points of Interconnection is requested. Subject to GIP Section 3.1.4, the pre-application report will include the following information:
- 3.1.3.1 Total capacity (in megawatts (MW)) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Interconnection.
 - 3.1.3.2 Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed Point of Interconnection.
 - 3.1.3.3 Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed Point of Interconnection.

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- 3.1.3.4 Available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).
 - 3.1.3.5 Substation nominal distribution voltage and/or transmission nominal voltage if applicable.
 - 3.1.3.6 Nominal distribution circuit voltage at the proposed Point of Interconnection.
 - 3.1.3.7 Approximate circuit distance between the proposed Point of Interconnection and the substation.
 - 3.1.3.8 Relevant line section(s) actual or estimated peak load and minimum load data, including daytime minimum load as described in GIP Section 6.11.1.1 below and absolute minimum load, when available.
 - 3.1.3.9 Number and rating of protective devices and number and type (standard, bi-directional) of voltage regulating devices between the proposed Point of Interconnection and the substation/area. Identify whether the substation has a load tap changer.
 - 3.1.3.10 Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.
 - 3.1.3.11 Limiting conductor ratings from the proposed Point of Interconnection to the distribution substation.
 - 3.1.3.12 Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.
 - 3.1.3.13 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.
- 3.1.4 The pre-application report need only include existing data. A pre-application report request does not obligate the Distribution Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the Distribution Provider cannot complete all or some of a pre-application report due to lack of available data, the Distribution Provider shall provide the Interconnection Customer

with a pre-application report that includes the data that is available. The provision of information on “available capacity” pursuant to GIP Section 3.1.3.4 does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the pre-application report may become outdated at the time of the submission of the complete Interconnection Request. Notwithstanding any of the provisions of this GIP Section 3.1.4, the Distribution Provider shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

3.2 Interconnection Requests

An Interconnection Customer shall submit to Distribution Provider an Interconnection Request in the form of Appendix 1 to this GIP for processing under the Cluster Study Process, the Independent Study Process or the Fast Track Process. An Interconnection Customer shall submit to Distribution Provider an Interconnection Request in the form of Appendix 10 to this GIP for processing under the Under 10 kW Inverter Process. The Distribution Provider will forward a copy of the Interconnection Request to the ISO.

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

An Interconnection Request for the expansion of capacity of an existing Generating Facility shall be treated the same as an Interconnection Request for a new Generating Facility pursuant to this GIP.

If the Interconnection Customer also desires Distribution Service, then the Interconnection Customer shall submit to the Distribution Provider an Application in accordance with Section 15.2 of the Tariff, including the required deposit. If the Application for Distribution Service is deemed a Completed Application, then the schedule for performing the System Impact Study and the Facilities Study, or their equivalent, and for executing the Service Agreement shall coincide with the schedule for performing the Interconnection Studies, and executing the GIA under this GIP.

3.3 Interconnection Service

3.3.1 The Product. Interconnection Service allows Interconnection Customer to connect the Generating Facility to the Distribution System and be eligible to deliver the Generating Facility's output using the capacity of the

Distribution System to the ISO Grid. Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.

3.3.2 No Applicability to Transmission Service or Distribution Service.

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

3.3.3 Roles and Responsibilities.

3.3.3.1 Each Interconnection Request will be subject to the direction and oversight of the Distribution Provider. The Distribution Provider will conduct or cause to be performed the required Interconnection Studies and any additional studies the Distribution Provider determines to be reasonably necessary. The analysis of impacts on, and upgrades required to, the ISO Grid will be directed by the ISO pursuant to the terms and conditions of Appendix Y of the ISO Tariff for Queue Cluster 4 or Appendix DD of the ISO Tariff for Queue Cluster 5 and subsequent Queue Clusters. The Distribution Provider will perform all required studies related to the Distribution System and will coordinate with Affected System Operators in accordance with GIP Section 3.7.

3.3.3.2 The Distribution Provider will complete or cause to be completed all studies as required within the timelines provided in this GIP.

3.3.3.3 Delegation of Responsibility. Distribution Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this GIP. Distribution Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this GIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

3.3.3.4 Each Interconnection Customer shall pay the actual costs of all Interconnection Studies, and any additional studies the Distribution Provider determines to be reasonably necessary in response to the Interconnection Request. The Distribution Provider shall reimburse the ISO for the actual cost of any portion of the Interconnection Studies that the ISO performs related to the ISO Grid.

3.3.3.4.1 Where an Interconnection Study is performed by means of a Group Study, the cost of the Group Study will be charged pro rata to each Interconnection Request assigned to the Group Study. The cost of Interconnection Studies performed for an individual Interconnection Request, not part of a Group Study, will be charged solely to the Interconnection Customer that submitted the Interconnection Request.

3.3.3.4.2 The Distribution Provider shall issue invoices for Interconnection Studies that shall include a detailed and itemized accounting of the cost of each Interconnection Study. Whenever the actual cost of performing the Interconnection Studies exceeds the Interconnection Study Deposit, the Interconnection Customer shall pay the undisputed difference in accordance with the Distribution Provider issued invoice within thirty (30) Calendar Days. The Distribution Provider shall not be obligated to continue to have any studies conducted unless the Interconnection Customer has paid all undisputed amounts in compliance herewith.

3.4 Comparability

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

3.5 Base Case Data

Distribution Provider shall provide base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list upon request subject to confidentiality provisions in GIP Section 11.1. Distribution Provider is permitted to require that Interconnection Customer sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such Base Cases shall include all (i) generation projects and (ii) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

3.6 Internet Posting

Distribution Provider will maintain on its website a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the

interconnection will be made; (iv) the most recent Commercial Operation Date requested by the Interconnection Customer; (v) the status of the Interconnection Request, including whether it is active or withdrawn; and (vi) the availability of any studies related to the Interconnection Request; (vii) the date of the Interconnection Request; (viii) the type of Generating Facility to be constructed (e.g., combined cycle, combustion turbine, wind turbine, and fuel type); and (ix) the requested Deliverability status.

Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes a GIA or requests that Distribution Provider file an unexecuted GIA with FERC. Before holding a Scoping Meeting with its Affiliate, Distribution Provider shall post on its website an advance notice of its intent to do so.

Distribution Provider shall post to its website any deviations from the study timelines set forth herein. The Distribution Provider shall also post to its website non-confidential portions of the Phase I Interconnection Study or the Interconnection System Impact Study, as applicable, following the final Results Meeting or thirty (30) Calendar Days after the completion of such study if the Results Meeting is waived, and non-confidential portions of the Phase II Interconnection Study or the Interconnection Facilities Study, as applicable, no later than publication of the ISO's final Transmission Plan.

3.7 Coordination with Affected Systems

The Distribution Provider will notify the Affected System Operators that are potentially affected by an Interconnection Customer's Interconnection Request or group of Interconnection Requests subject to a Group Study. The Distribution Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this GIP. Distribution Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this GIP. Interconnection Customer will cooperate with Distribution Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A transmission provider which may be an Affected System shall cooperate with Distribution Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

3.8 Capacity of the Generating Facility

The Interconnection Request shall be evaluated using the maximum capacity that the Generating Facility is capable of injecting into the Distribution Provider's electric system and, in the case of Generating Facilities with storage, the maximum Charging Demand the storage device is capable of receiving. However, if the maximum capacity that the Generating Facility is capable of

injecting into, and/or receiving from for the Charging Demand in the case of storage, the Distribution Provider's electric system is limited (e.g., through use of a control system, power relay(s), or other similar device settings or adjustments), then the Interconnection Customer must obtain the Distribution Provider's agreement, with such agreement not to be unreasonably withheld, that the manner in which the Interconnection Customer proposes to implement such a limit will not adversely affect the safety and reliability of the Distribution Provider's system. If the Distribution Provider does not so agree, then the Interconnection Request must be withdrawn or revised to specify the maximum capacity that the Generating Facility is capable of injecting into, and/or receiving from for the Charging Demand in the case of storage, the Distribution Provider's electric system without such limitations. Furthermore, nothing in this section shall prevent a Distribution Provider from considering an output higher than the limited output or Charging Demand higher than the limited Charging Demand, if appropriate, when evaluating system protection impacts.

3.9 Proposed Commercial Operation Date

The proposed Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility shall not exceed seven years from the date the Interconnection Request is received by Distribution Provider, unless Interconnection Customer demonstrates and the Distribution Provider agrees, such agreement not to be unreasonably withheld, that engineering, permitting and construction of the new Generating Facility or increase in capacity of the existing Generating Facility will take longer than the seven year period. For Interconnection Requests in Queue Cluster 5 and subsequent Queue Clusters, the Distribution Provider's agreement to an extension of the proposed Commercial Operation Date does not relieve the Interconnection Customer from compliance with the requirements of any of the criteria in GIP Section 4.6.13.1 for retention of TP Deliverability.

3.10 Transferability of Interconnection Request

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

3.11 Withdrawal

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Distribution Provider, and the Distribution Provider will notify the ISO and Affected System Operators, if any, within three (3) Business Days of receipt of such a notice. In addition, after confirmation by the Distribution Provider of a valid Interconnection Request, if the Interconnection Customer fails to adhere to all requirements of this GIP, except as provided in GIP Section 11.2 (Disputes), Distribution Provider shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal within five (5) Business Days and an explanation of the reasons for such deemed withdrawal. Upon

receipt of such written notice, Interconnection Customer shall have five (5) Business Days in which to either respond with information or action that either cures the deficiency or supports its position that the deemed withdrawal was erroneous and notifies the Distribution Provider of its intent to pursue Dispute Resolution.

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

In the event of such withdrawal, Distribution Provider, subject to the provisions GIP Section 11.1 and GIP Sections 4.2.1.1 or 5.2.1.1, as applicable, shall provide, at Interconnection Customer's request, all information that Distribution Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.12 Reactive Power Requirements for Existing Non-Synchronous Generators

The reactive power requirements for non-synchronous generators set forth in FERC's Order No. 827 shall be applicable to: 1) the entirety of an existing non-synchronous Generating Facility in the event such Generating Facility makes modifications that require the submission of a new Interconnection Request, and a subsequent Interconnection Study finds that the reactive power requirement is necessary to ensure system safety or reliability; 2) new non-synchronous Electric Generating Units, when an existing Generating Facility replaces Electric Generating Units with new non-synchronous Electric Generating Units, whether or not submission of a new Interconnection Request is required.

3.13 Standards for Inverter Based Generating Facilities

Inverters used for the production, and/or later injection from storage, of electricity shall meet the inverter certification standards of UL-1741 and UL-1741 Supplement A utilizing the Smart Inverter requirements set forth in Rule 21 for Interconnection Requests that are received and deemed valid on and after March 1, 2017.

Section 4. Cluster Study Process

4.1 Timing For Submitting Interconnection Requests

Interconnection Requests must be submitted during a Cluster Application Window. The Cluster Application Window for Queue Cluster 4 was open from March 2, 2011 through March 31, 2011. The Cluster Application Windows for Queue Cluster 5 were open from October 15, 2011 through November 15, 2011

and March 1, 2012 through March 31, 2012. Commencing with Queue Cluster 6, a single Cluster Application Window associated with each Interconnection Study Cycle will open on April 1 and close on April 30 of each year. In the event that any date set forth in this section is not a Business Day, then the applicable date shall be the next Business Day thereafter.

The Distribution Provider may change the Cluster Application Window interval and opening or closing dates at any time. Any changes to the Cluster Application Window interval and opening or closing dates will be posted on the Distribution Provider's website. If there is a conflict between the Cluster Application Window interval and opening or closing dates posted on the Distribution Provider's website and the dates identified in the paragraph above, the dates posted on the Distribution Provider's website shall control.

4.2 Processing of Interconnection Request

4.2.1 Initiating an Interconnection Request. To initiate an Interconnection Request under the Cluster Study Process, an Interconnection Customer either seeking (1) to interconnect a proposed Generating Facility with the Distribution Provider's Distribution System, or (2) to increase the capacity of a Generating Facility that has achieved Commercial Operation, must submit during a Cluster Application Window all of the following: (i) an Interconnection Study Deposit equal to \$50,000 plus \$1,000 per MW of electrical output of the Generating Facility, or the increase in electrical output of the existing Generating Facility, as applicable, rounded up to the nearest whole megawatt, up to a maximum of \$250,000, (ii) a completed Interconnection Request in the form of Appendix 1 to the GIP, including requested Deliverability status, preferred Point of Interconnection and voltage level, and all other technical data, and (iii) demonstration of Site Exclusivity or a posting of a Site Exclusivity Deposit of \$100,000 for a Small Generating Facility or \$250,000 for a Large Generating Facility. The demonstration of Site Exclusivity, at a minimum, must be through the Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility.

An Interconnection Customer seeking to exercise the Annual Full Capacity Deliverability Option for Full Capacity Deliverability Status or Partial Capacity Deliverability Status in accordance with GIP Section 4.7 must submit during the applicable Cluster Application Window all of the following: (i) a completed Interconnection Request in the form of Appendix 1 to the GIP, including requested Deliverability status, preferred Point of Interconnection and voltage level, and all other technical data, and (ii) a non-refundable \$10,000 study fee.

4.2.1.1 Use of Interconnection Study Deposit. The Interconnection Study Deposit shall be applied to pay for prudent costs incurred by

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the Distribution Provider, the ISO, or third parties at the direction of the Distribution Provider or ISO, as applicable, to perform and administer the Interconnection Studies.

The Interconnection Study Deposits shall be refundable as follows:

- (a) Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 on or before thirty (30) Calendar Days following the Scoping Meeting, the Distribution Provider shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit that exceeds the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).
- (b) Should an Interconnection Request made under GIP Section 4.2.1 be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 more than thirty (30) Calendar Days after the Scoping Meeting, but on or before thirty (30) Calendar Days following the Results Meeting for the Phase I Interconnection Study, the Distribution Provider shall refund to the Interconnection Customer the difference between (i) the Interconnection Customer's Interconnection Study Deposit and (ii) the greater of the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf or one-half of the original Interconnection Study Deposit up to a maximum of \$100,000, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).
- (c) Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 at any time more than thirty (30) Calendar Days after

the Results Meeting for the Phase I Interconnection Study, the Interconnection Study Deposit shall be non-refundable.

- (d) Upon execution of a GIA by an Interconnection Customer and the Distribution Provider, or the approval by FERC of an unexecuted GIA, the Distribution Provider shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit that exceeds the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).

Notwithstanding the foregoing, an Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request during an Interconnection Study Cycle shall be obligated to pay to the Distribution Provider all costs in excess of the Interconnection Study Deposit that have been prudently incurred or irrevocably have been committed to be incurred with respect to that Interconnection Request prior to withdrawal. The Distribution Provider will reimburse the ISO or third parties, as applicable, for all work performed on behalf of the withdrawn Interconnection Request at the Distribution Provider's direction. The Interconnection Customer must pay all monies due before it is allowed to obtain any Interconnection Study data or results. Any proceeds of the Interconnection Study Deposit not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed to be incurred for the Interconnection Studies shall be remitted to the ISO and treated in accordance with Section 7.6 of Appendix DD to the ISO Tariff.

4.2.1.2 Use of Site Exclusivity Deposit. The Site Exclusivity Deposit shall be refundable to the Interconnection Customer at any time upon demonstration of Site Exclusivity or the Interconnection Request is withdrawn by the Interconnection Customer or deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11. The refund of the Site Exclusivity Deposit shall include interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii). The Site Exclusivity Deposit shall continue to be required after the Interconnection Customer either executes a GIA or requests the

filing of an unexecuted GIA under GIP Section 9.1 if Site Exclusivity has not been demonstrated.

4.2.2 Validation of Interconnection Request.

4.2.2.1 Acknowledgment of Interconnection Request. The Distribution Provider shall notify the Interconnection Customer within ten (10) Business Days of receipt of the Interconnection Request, which notice shall state whether the Interconnection Request is deemed valid.

4.2.2.2 Deficiencies in Interconnection Request. An Interconnection Request will not be considered to be a valid request until all items in GIP Section 4.2.1 have been received by Distribution Provider and deemed valid by the Distribution Provider. If an Interconnection Request fails to meet the requirements set forth in GIP Section 4.2.1, Distribution Provider shall include in its notification to the Interconnection Customer under GIP Section 4.2.2.1 the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Distribution Provider the additional requested information needed to constitute a valid request. Whenever the additional requested information is provided by the Interconnection Customer, the Distribution Provider shall notify the Interconnection Customer within five (5) Business Days of receipt of the additional requested information whether the Interconnection Request is valid. If the Interconnection Request continues to fail to meet the requirements set forth in GIP Section 4.2.1, the Distribution Provider shall include in its notification to the Interconnection Customer the reasons for such failure. If an Interconnection Request has not been deemed valid, the Interconnection Customer must submit all information necessary to meet the requirements of GIP Section 4.2.1 no later than twenty (20) Business Days after the close of the applicable Cluster Application Window or ten (10) Business Days after the Distribution Provider first provided notice that the Interconnection Request was not valid, whichever is later. Interconnection Requests that have not met the requirements of GIP Section 4.2.1, within twenty (20) Business Days after the close of the applicable Cluster Application Window or ten (10) Business Days after the Distribution Provider first provided notice that the Interconnection Request was not valid, whichever is later, will not be included in Interconnection Study Cycle and will be deemed invalid.

Interconnection Requests deemed invalid under this GIP Section 4.2.2.2 are not subject to GIP Section 3.11. Interconnection

Customers with invalid Interconnection Requests under this GIP Section 4.2.2.2 may seek relief under GIP Section 11.2 by so notifying the Distribution Provider within two (2) Business Days of the notice of invalidity.

4.3 Scoping Meeting

Within five (5) Business Days after the Distribution Provider notifies the Interconnection Customer of a valid Interconnection Request, the Distribution Provider shall establish a date agreeable to the Interconnection Customer and the ISO, if applicable, for the Scoping Meeting. All Scoping Meetings shall occur no later than sixty (60) Calendar Days after the close of the Cluster Application Window, unless otherwise mutually agreed upon by the Parties. The Distribution Provider, in coordination with the ISO, shall determine whether the Interconnection Request is at or near the boundary of an Affected System(s) so as to potentially affect such third parties. If such a determination is made, the Distribution Provider shall invite the Affected System Operator(s) in accordance with GIP Section 3.7, to the Scoping Meeting by informing such third parties of the time and place of the scheduled Scoping Meeting as soon as practicable.

A Scoping Meeting is not required for Interconnection Customers seeking to exercise the Annual Full Capacity Deliverability Option under GIP Section 4.7.1 for Full Capacity Deliverability Status or Partial Capacity Deliverability Status.

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

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

4.4 Generator Interconnection Study Process Agreement

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

A Generator Interconnection Study Process Agreement is not required for Interconnection Customers seeking to exercise the Annual Full Capacity Deliverability Option under GIP Section 4.7.1 for Full Capacity Deliverability Status or Partial Capacity Deliverability Status.

4.5 Interconnection Studies

4.5.1 Grouping Interconnection Requests. At Distribution Provider's option, and in coordination with the ISO, as applicable, an Interconnection Request received during a particular Cluster Application Window may be studied individually or in a Group Study for the purpose of conducting one or more of the analyses forming the Interconnection Studies. For each Interconnection Study within an Interconnection Study Cycle, the Distribution Provider, in coordination with the ISO, may develop one or more Group Studies. A Group Study will include Interconnection Requests that electrically affect one another with respect to the analysis being performed without regard to the nature of the underlying Interconnection Service and the ISO's annual Transmission Plan. Grouping of Interconnection Requests for the purpose of determining Distribution System impacts and mitigation, as determined by the Distribution Provider, may differ from the grouping required for determining impacts and mitigation on the ISO Grid as determined by the Distribution Provider, in coordination with the ISO, given the non-network nature of the Distribution System. The Distribution Provider may also, in coordination with the ISO, as applicable, conduct an Interconnection Study for an Interconnection Request separately to the

extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Generating Facility from other Generating Facilities with Interconnection Requests in the same Interconnection Study Cycle.

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

4.5.2 The Interconnection Studies. The Interconnection Studies consist of a Phase I Interconnection Study and a Phase II Interconnection Study, which will include, but not be limited to, short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The analysis of impacts on, and upgrades required to, the ISO Grid will be directed by the ISO pursuant to the terms and conditions of Appendix Y of the ISO Tariff for Queue Cluster 4 or Appendix DD of the ISO Tariff for Queue Cluster 5 and subsequent Queue Clusters. The Interconnection Studies will identify direct Interconnection Facilities, Distribution Upgrades and required Reliability Network Upgrades necessary to mitigate thermal overloads and voltage violations, and address short circuit, stability, and reliability issues associated with the output of the Generating Facility the requested Interconnection Service. For Generating Facilities with storage which will charge from the Distribution System, the Interconnection Studies will include a non-binding preliminary analysis of the ability of the Distribution System to accommodate the requested Charging Capacity utilizing available capacity on the existing Distribution System and subject to limitations and/or restrictions as may be set forth in the GIA.

The Interconnection Studies will also identify Delivery Network Upgrades to allow the full output of a Generating Facility selecting Full Capacity Deliverability Status, the elected output of a Generating Facility seeking Partial Capacity Deliverability Status, and, as applicable, the maximum allowed output of the interconnecting Generating Facility without one or more Delivery Network Upgrades in accordance with the On-Peak Deliverability Assessment and Off-Peak Deliverability Assessment set forth in Appendix Y of the ISO Tariff or in Appendix DD of the ISO Tariff, as applicable.

The Distribution Provider will prepare an Interconnection Study report to document the results of the Interconnection Study. The report shall include the results of the analysis of the impacts on and the upgrades required to the Distribution System, and the costs of the Distribution Provider's Interconnection Facilities and Distribution Upgrades, as well as

the results of the analysis of impacts on and the upgrades required to the ISO Grid, and the costs of the Network Upgrades.

All cost estimates for Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades contained in the Interconnection Studies will be set forth in the Interconnection Study report in present dollar costs as well as time-adjusted dollar costs, adjusted to the estimated year of construction of the components being constructed.

4.5.3 Scope and Purpose of the Phase I Interconnection Study. The Phase I Interconnection Study shall (i) evaluate the impact of all Interconnection Requests received during the Cluster Application Window for a particular year on the Distribution System and ISO Grid, (ii) preliminarily identify the Distribution Upgrades needed to address the impacts on the Distribution System; (iii) preliminarily identify the Network Upgrades needed to address the impacts on the ISO Grid of the Interconnection Requests, (iv) preliminarily identify for each Interconnection Request required Distribution Provider's Interconnection Facilities, (v) assess the Point of Interconnection selected by each Interconnection Customer and potential alternatives to evaluate potential efficiencies in overall system upgrade costs, (vi) establish the maximum cost responsibility for Network Upgrades assigned to each Interconnection Request in Queue Cluster 4 in accordance with GIP Section 4.5.4, (vii) establish the maximum cost responsibility for Reliability Network Upgrades and Local Delivery Network Upgrades assigned to each Interconnection Request until the issuance of the Phase II Interconnection Study report, as well as provide an estimate of the cost responsibility for Area Delivery Network Upgrades, assigned to each Interconnection Request in Queue Cluster 5 and subsequent Queue Clusters in accordance with GIP Section 4.5.4, ~~and~~ (viii) provide a good faith estimate of the cost of Distribution Upgrades and Distribution Provider's Interconnection Facilities for each Interconnection Request, and (ix) for Generating Facilities with storage which will charge from the Distribution System, provide a non-binding preliminary analysis of the ability of the Distribution System to accommodate the requested Charging Capacity utilizing available capacity on the existing Distribution System. The portion of the Phase I Interconnection Study required to evaluate impacts on the ISO Grid will be conducted in coordination with the ISO in a manner consistent with the procedures set forth in the ISO Tariff GIP.

The Phase I Interconnection Study will consist of a short circuit analysis, a stability analysis to the extent the Distribution Provider and ISO reasonably expect transient or voltage stability concerns, a power flow analysis, including off-peak analysis, and an On-Peak Deliverability Assessment and Off-Peak Deliverability Assessment in accordance with Appendix Y of the ISO Tariff for Queue Cluster 4 or Appendix DD of the

ISO Tariff for Queue Cluster 5 and subsequent Queue Clusters. The short circuit analysis will include an evaluation of the short circuit duty impacts of all Generating Facilities interconnecting to the Distribution System on the Transmission System, including Generating Facilities being studied under the Independent Study Process. The Phase I Interconnection Study will state for each Group Study or Interconnection Request studied individually (i) the assumptions upon which it is based, (ii) the results of the analyses, and (iii) the requirements or potential impediments to providing the requested Interconnection Service to all Interconnection Requests in a Group Study or to the Interconnection Request studied individually. The Phase I Interconnection Study will provide, without regard to the requested Commercial Operation Dates of the Interconnection Requests, a list of Distribution Upgrades and Network Upgrades that are preliminarily identified as required as a result of the Interconnection Requests in a Group Study or as a result of any Interconnection Request studied individually and Distribution Provider's Interconnection Facilities associated with each Interconnection Request, and an estimate of any other financial impacts (i.e., on Local Furnishing Bonds).

4.5.4 Identification of and Cost Allocation Methods for Network Upgrades and Distribution Upgrades in Phase I Interconnection Study.

4.5.4.1 Reliability Network Upgrades.

4.5.4.1.1 For Queue Cluster 4. The short circuit, stability, and power flow analyses will be performed pursuant to Appendix Y of the ISO Tariff. The short circuit and stability analyses for each Interconnection Request either individually or as part of a Group Study will preliminarily identify the Reliability Network Upgrades needed to interconnect the Generating Facilities to the Distribution System. The power flow analyses for each Interconnection Request either individually or as part of a Group Study will identify reliability criteria violations, including applicable thermal overloads, that must be mitigated by Reliability Network Upgrades. The estimated costs of the Reliability Network Upgrades shall be assigned in accordance with Appendix Y of the ISO Tariff.

4.5.4.1.2 For Queue Cluster 5 and Subsequent Queue Clusters. The short circuit, stability, and power flow analyses will be performed pursuant to Appendix DD of the ISO Tariff. The short circuit and stability analyses for each Interconnection Request either individually or as part of a

Group Study will preliminarily identify the Reliability Network Upgrades needed to interconnect the Generating Facilities to the Distribution System. The power flow analyses for each Interconnection Request either individually or as part of a Group Study will identify reliability criteria violations, including applicable thermal overloads, that must be mitigated by Reliability Network Upgrades. The estimated costs of the Reliability Network Upgrades shall be assigned in accordance with Appendix DD of the ISO Tariff.

4.5.4.2 Delivery Network Upgrades.

4.5.4.2.1 The On-Peak Deliverability Assessment.

4.5.4.2.1.1 For Queue Cluster 4. An On-Peak Deliverability Assessment will be performed for Interconnection Customers selecting Full Capacity Deliverability Status or Partial Capacity Deliverability Status in their Interconnection Requests pursuant to Appendix Y of the ISO Tariff. The On-Peak Deliverability Assessment will identify preliminary Delivery Network Upgrades required to provide the Generating Facility with Full Capacity Deliverability Status or the requested MW of Partial Capacity Deliverability Status. The estimated costs of Delivery Network Upgrades identified in the On-Peak Deliverability Assessment will be estimated and assigned in accordance with Appendix Y of the ISO Tariff.

4.5.4.2.1.2 For Queue Cluster 5 and Subsequent Queue Clusters. An On-Peak Deliverability Assessment will be performed for Interconnection Customers selecting Full Capacity Deliverability Status or Partial Capacity Deliverability Status in their Interconnection Requests pursuant to Appendix DD of the ISO Tariff. The On-Peak Deliverability Assessment will identify preliminary Delivery Network Upgrades, which shall consist of Local Delivery Network Upgrades and Area Delivery Network Upgrades, required to provide the Generating

Facility with Full Capacity Deliverability Status or Partial Capacity Deliverability Status. The estimated costs of Delivery Network Upgrades identified in the On-Peak Deliverability Assessment will be estimated and assigned in accordance with Appendix DD of the ISO Tariff.

4.5.4.2.2 The Off-Peak Deliverability Assessment.

4.5.4.2.2.1 For Queue Cluster 4. An Off-Peak Deliverability Assessment will be performed, pursuant to Appendix Y of the ISO Tariff, for Interconnection Customers to identify transmission upgrades in addition to those Delivery Network Upgrades identified in the On-Peak Deliverability Assessment, that includes one or more Location Constrained Resource Interconnection Generators (LCRIG) as defined in the ISO Tariff, where the fuel source or source of energy for the LCRIG substantially occurs during off-peak conditions. The estimated costs and treatment of such upgrades shall be in accordance with Appendix Y of the ISO Tariff.

4.5.4.2.2.2 For Queue Cluster 5 and Subsequent Queue Clusters. An Off-Peak Deliverability Assessment will be performed, pursuant to Appendix DD of the ISO Tariff, for Interconnection Customers to identify transmission upgrades in addition to those Delivery Network Upgrades identified in the On-Peak Deliverability Assessment, that includes one or more LCRIG as defined in the ISO Tariff, where the fuel source or source of energy for the LCRIG substantially occurs during off-peak conditions. The estimated costs and treatment of such upgrades shall be in accordance Appendix DD of the ISO Tariff.

4.5.4.3 Distribution Upgrades. The Distribution Provider will perform short circuit analyses and stability analyses, if required, for each Interconnection Request either individually or as part of a Group Study to preliminarily identify the Distribution Upgrades needed to interconnect the Generating Facility to the Distribution System.

The Distribution Provider shall also perform power flow analyses, under a variety of system conditions, for each Interconnection Request either individually or as part of a Group Study to identify reliability criteria violations on the Distribution System, including applicable thermal overloads, that must be mitigated by Distribution Upgrades.

The estimated costs of Distribution Upgrades identified as a result of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request. The estimated costs of Distribution Upgrades identified through a Group Study shall be assigned to all Interconnection Requests in that Group Study pro rata based on each Interconnection Request's contribution to the need for the upgrade.

4.5.5 Costs Identified in the Phase I Interconnection Study Report Form the Basis of Initial Interconnection Financial Security Posting. The costs assigned to Interconnection Customers for Network Upgrades shall establish the basis for the initial Interconnection Financial Security posting required from each Interconnection Customer under GIP Section 4.8.2 for such Network Upgrades. In contrast, the costs assigned to Interconnection Customers for Distribution Provider's Interconnection Facilities and Distribution Upgrades under GIP Section 4.5 are estimates only that establish the basis for the initial Interconnection Financial Security required from each Interconnection Customer under GIP Section 4.8.1 for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

4.5.6 Phase I Interconnection Study Procedures. The Distribution Provider shall coordinate the Phase I Interconnection Study with the ISO pursuant to GIP Section 3.3.3, as applicable, and any Affected System Operator that is affected by the Interconnection Request pursuant to GIP Section 3.7. Existing studies shall be used to the extent practicable when conducting the Phase I Interconnection Study. The Distribution Provider will coordinate Base Case development with the ISO, as applicable, to ensure the Base Cases are accurately developed for the assessment of impacts on the ISO Grid. The Distribution Provider shall use Reasonable Efforts to complete and issue to Interconnection Customers the Phase I Interconnection Study report within one hundred thirty-four (134) Calendar Days after the commencement of the Phase I Interconnection Study for Queue Cluster 4, within two hundred (200) Calendar Days after the commencement of the Phase I Interconnection Study for Queue Cluster 5, and within one hundred seventy (170) Calendar Days after the commencement of the Phase I Interconnection Study beginning with Queue Cluster 6; however, each individual study or Group Studies may be completed prior to this maximum time where practicable based on factors,

including, but not limited to, the number of Interconnection Requests in the Cluster Application Window, study complexity, and reasonable availability of subcontractors as provided under GIP Section 3.3.3.3. The Distribution Provider will share applicable study results with the ISO and Affected System Operators, if applicable, for review and comment and will incorporate comments into the study report. The Distribution Provider will issue a final Phase I Interconnection Study report to the Interconnection Customer.

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

Upon request, the Distribution Provider shall provide the Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Phase I Interconnection Study, subject to confidentiality arrangements consistent with GIP Section 11.1.

4.5.7 Phase I Interconnection Study Results Meeting. Within thirty (30) Calendar Days of issuing the Phase I Interconnection Study report to the Interconnection Customer, the Distribution Provider, the ISO, and Affected System Operators, if applicable, and the Interconnection Customer shall hold a Results Meeting to discuss the results of the Phase I Interconnection Study, including assigned cost responsibility.

Should the Interconnection Customer provide written comments on the final Phase I Interconnection Study report within ten (10) Business Days of receipt of the report, but in no event less than three (3) Business Days before the Results Meeting conducted to discuss the report, whichever is sooner, the Distribution Provider will address the written comments in the Phase I Interconnection Study Results Meeting. Should the Interconnection Customer provide comments at any later time (up to the time of the Results Meeting), then such comments shall be considered informal inquiries to which the Distribution Provider will provide, to the extent possible, informal, informational responses at the Results Meeting.

The Interconnection Customer may submit, in writing, additional comments on the final Phase I Interconnection Study report up to (3) Business Days following the Results Meeting. Based on any discussion at

the Results Meeting and any comments received, the Distribution Provider (in consultation with the ISO) will determine, in accordance with GIP Section 4.5.7.4, whether it is necessary to follow the final Phase I Interconnection Study report with a revised study report or an addendum. Written comments on the Phase I Interconnection Study report provided by the Interconnection Customer in accordance with this GIP Section 4.5.7 will be included as an addendum to the Phase I Interconnection Study report. The Distribution Provider will issue any such revised report or addendum, if required, to the Interconnection Customer, or otherwise respond in writing to the Interconnection Customer's comments, no later than fifteen (15) Business Days following the Results Meeting.

4.5.7.1 Commercial Operation Date. At the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall provide a schedule outlining key milestones including environmental survey start date, expected environmental permitting submittal date, expected procurement date of project equipment, back-feed date for project construction, and expected project construction date. This will assist the parties in determining if Commercial Operation Dates are reasonable. If major Distribution Provider's Interconnection Facilities or Distribution Upgrades for the Generating Facility have been identified in the Phase I Interconnection Study, such as telecommunications equipment to support a possible special protection system (SPS), distribution feeders to support back feed, new substation, and/or expanded substation work, permitting and material procurement lead times may result in the need to alter the proposed Commercial Operation Date. The Parties may agree to a new Commercial Operation Date. In addition, where an Interconnection Customer intends to establish Commercial Operation separately for different Electric Generating Units or project phases at its Generating Facility, it may only do so in accordance with an implementation plan agreed to in advance by the Distribution Provider and ISO, if applicable, which agreement shall not be unreasonably withheld. Where the parties cannot agree, the Commercial Operation Date determined reasonable by the Distribution Provider, in coordination with the ISO, if applicable, will be used for the Phase II Interconnection Study where the changed Commercial Operation Date is needed to accommodate the anticipated completion, assuming Reasonable Efforts by the Distribution Provider, of necessary Distribution Upgrades, Reliability Network Upgrades and/or Distribution Provider's Interconnection Facilities, pending the outcome of any relief sought by the Interconnection Customer under GIP Section 11.2. The Interconnection Customer must notify the Distribution Provider within five (5) Business Days following the Results

Meeting that it is initiating dispute procedures under GIP Section 11.2.

4.5.7.2 Modifications.

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

4.5.7.2.2 At the Phase I Interconnection Study Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection Request. After the issuance of the final Phase I Interconnection Study, but no later than ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to Distribution Provider, in writing, modifications to any information provided in the Interconnection Request. The Distribution Provider will forward the Interconnection Customer's modification to the ISO within two (2) Business Days of receipt.

Modifications permitted under this GIP Section 4.5.7.2 shall include specifically: (a) a decrease in the electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics; (c) modifying the interconnection configuration; (d) modifying the In-Service Date, Initial Synchronization Date, and/or Commercial Operation Date that meets the criteria set forth in GIP Section 3.9 and is acceptable to the Distribution Provider, such acceptance not to be unreasonably withheld; and (e) change in requested Deliverability to Energy-Only Deliverability Status, from

Full Capacity Deliverability Status to Partial Capacity Deliverability Status, or from Partial Capacity Deliverability Status to a lower fraction of Partial Capacity Deliverability Status.

For any modification other than these, the Interconnection Customer must first request that Distribution Provider evaluate whether such modification is a Material Modification in accordance with GIP Section 4.5.7.2.3. In response to Interconnection Customer's request, Distribution Provider, in coordination with the ISO, if applicable, and any Affected System Operator, if applicable, shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The Distribution Provider may, at its option, engage the services of the ISO to assist in the assessment of the modification. Any change to the Point of Interconnection, except for that specified by the Distribution Provider in an Interconnection Study or otherwise allowed under this GIP Section 4.5.7.2, shall constitute a Material Modification. Interconnection Customer shall then either:

- (i) withdraw the proposed modification, or
- (ii) withdraw its Interconnection Request and submit a new Interconnection Request during a subsequent Cluster Application Window reflecting such modification.

The Interconnection Customer shall remain eligible for the Phase II Interconnection Study if the modifications are in accordance with this GIP Section 4.5.7.2.

4.5.7.2.3 For any modifications other than those permitted under GIP Section 4.5.7.2.2, the Interconnection Customer shall provide the Distribution Provider a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) Calendar Days from the date the Distribution Provider receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and

payment of the \$10,000 deposit. The Distribution Provider shall coordinate the modification request with the ISO. If the modification assessment cannot be completed within that time period, the Distribution Provider shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. The Interconnection Customer will be responsible for the actual costs incurred by the Distribution Provider and, if applicable, the ISO in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance within thirty (30) Calendar Days of being invoiced. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within thirty (30) Calendar Days of being invoiced.

4.5.7.3 Determination of Impact of Modifications Decreasing Generating Capacity Output or Deliverability Status Reductions on Calculation of Initial Financial Security Posting.

After receiving from the Interconnection Customer any modification elections involving decreases in electrical output (MW) of the Generating Facility and/or changes (*i.e.*, reductions) in Deliverability status as permitted in GIP Section 4.6.1, the Distribution Provider, in coordination with the ISO, will determine, based on best engineering judgment, whether such modifications will eliminate the need for any Delivery Network Upgrades identified in the Phase I Interconnection Study report. The Distribution Provider and ISO will not conduct any re-studies in making this determination.

If the Distribution Provider and ISO should determine that one or more Delivery Network Upgrades identified in the Phase I Interconnection Study are no longer needed, then, solely for purposes of calculating the amount of the Interconnection Customer's initial posting of Interconnection Financial Security under GIP Section 4.8.2, such Delivery Network Upgrade(s) will be considered to be removed from the plan of service described in the Interconnection Customer's Phase I Interconnection Study report and the cost estimates for such upgrades shall not be included in the calculation of Interconnection Financial Security in GIP Section 4.8.2. The Distribution Provider will inform in a

timely manner any Interconnection Customers so affected, and provide the Interconnection Customers with written notice of the revised amounts for the initial Interconnection Financial Security posting. No determination under this GIP Section 4.5.7.3 shall affect either (i) the timing for the initial Interconnection Financial Security posting or (ii) the maximum value for the Interconnection Customer's total cost responsibility for Network Upgrades established by the Phase I Interconnection Study report.

4.5.7.4 Revisions and Addenda to Final Interconnection Study Reports.

4.5.7.4.1 Substantial Error or Omissions: Revised Study

Report. Should the Distribution Provider discover, through written comments submitted by an Interconnection Customer or otherwise, that a final Phase I or Phase II Interconnection Study report contains a substantial error or omission, the Distribution Provider, in consultation with the ISO, as applicable, will cause a revised final report to be issued to the Interconnection Customer. A substantial error or omission shall mean an error or omission that results in one or more of the following:

- (i) understatement or overstatement of the Interconnection Customer's cost responsibility for Network Upgrades by more than five (5) percent or one million dollars (\$1,000,000), whichever is greater; or
- (ii) results in a delay to the schedule by which the Interconnection Customer can achieve Commercial Operation, based on the results of the final Interconnection Study, by more than one year.

A dispute over the plan of service by an Interconnection Customer shall not be considered a substantial error or omission unless the Interconnection Customer demonstrates that the plan of service was based on an invalid or erroneous study assumption that meets the criteria set forth above.

4.5.7.4.2 Other Errors or Omissions: Addendum. If an error or omission in an Interconnection Study report is not a substantial error or omission, the Distribution Provider shall not issue a revised final Interconnection Study report,

although the error or omission may result in an adjustment of the corresponding Interconnection Financial Security. Rather, the Distribution Provider shall document such error or omission and make any appropriate correction by issuing an addendum to the final report.

The Distribution Provider shall also incorporate, as needed, any corrected information pertinent to the terms or conditions of the GIA in the draft GIA provided to an Interconnection Customer pursuant to GIP Section 4.9.1.

4.5.7.4.3 Only Substantial Errors or Omissions Adjust Posting Dates. Only substantial errors and omissions related to the Phase I and Phase II Interconnection Study reports can result in adjustments to Interconnection Financial Security posting due dates. Once the initial and second Interconnection Financial Security posting due dates as described in this section have passed, the error or omission provisions described in this GIP Section 4.5.7.4.3 no longer apply. Unless the error or omission is a substantial error resulting in the issuance of a revised final Interconnection Study report, the correction of an error or omission shall not operate to delay any deadline for posting Interconnection Financial Security set forth in GIP Section 4.8. In the case of a substantial error or omission resulting in the issuance of a revised final Phase I or Phase II Interconnection Study report, the deadline for posting Interconnection Financial Security shall be extended as set forth in GIP Section 4.8. In addition to issuing a revised final report, the Distribution Provider will promptly notify the Interconnection Customer of any revised posting amount and extended due date occasioned by a substantial error or omission.

An Interconnection Customer's dispute of a Distribution Provider determination that an error or omission in a final study report does not constitute substantial error shall not operate to change the amount of Interconnection Financial Security that the Interconnection Customer must post or to postpone the applicable deadline for the Interconnection Customer to post Interconnection Financial Security. In case of such a dispute, the Interconnection Customer shall post the amount of Interconnection Financial Security in accordance with

GIP Section 4.8, subject to refund in the event that the Interconnection Customer prevails in the dispute.

4.6 Phase II Interconnection Study

4.6.1 Activities in Preparation for Phase II Interconnection Study. Within ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to the Distribution Provider the completed form of Attachment B (“Data Form To Be Provided by the Interconnection Customer Prior to Commencement of the Phase II Interconnection Study”) to its Generator Interconnection Study Process Agreement, a pro forma version of which is Appendix 3 to this GIP. Within such Attachment B, the Interconnection Customer shall either (i) confirm the desired Deliverability status that the Interconnection Customer had previously designated in the completed form of Attachment A to the Generator Interconnection Study Process Agreement (“Assumptions Used in Conducting the Phase I Interconnection Study”); or (ii) change the status of desired deliverability in one of the following ways:

- (a) from Full Capacity Deliverability Status to Energy-Only Deliverability Status;
- (b) from Full Capacity Deliverability Status to Partial Capacity Deliverability Status with a specified MW amount of Full Capacity Deliverability Status;
- (c) from Partial Capacity Deliverability Status to Energy-Only Deliverability Status; or
- (d) reduce Partial Capacity Deliverability Status to a lower MW amount of Full Capacity Deliverability Status.

The Distribution Provider will forward a copy of the completed form of Attachment B to the ISO.

4.6.2 Full Capacity Deliverability Status or Partial Capacity Deliverability Status Options for Interconnection Customers in Queue Cluster 5 and Subsequent Queue Clusters. This section applies to Interconnection Requests in Queue Cluster 5 and subsequent Queue Clusters for which the Generating Facility Deliverability status is either Full Capacity Deliverability Status or Partial Capacity Deliverability Status.

Within Attachment B to its Generator Interconnection Study Process Agreement, the Interconnection Customer must select one of two options with respect to its Generating Facility:

Option (A), which means that the Generating Facility requires TP Deliverability to be able to continue to Commercial Operation. If the

Interconnection Customer selects Option (A), then the Interconnection Customer shall be required to make an initial posting of Interconnection Financial Security under GIP Section 4.8.2 for the cost responsibility assigned to it in the Phase I Interconnection Study for Reliability Network Upgrades and Local Delivery Network Upgrades, and shall not be required to post Interconnection Financial Security for Area Delivery Network Upgrades; or,

Option (B), which means that the Interconnection Customer will assume cost responsibility for Delivery Network Upgrades (both Area Delivery Network Upgrades and Local Delivery Network Upgrades, to the extent applicable) without cash repayment under GIP Section 10.4.1.1 to the extent that sufficient TP Deliverability is not allocated to the Generating Facility to provide its requested amount of Deliverability status. If the Interconnection Customer selects Option (B), then the Interconnection Customer shall be required to make an initial posting of Interconnection Financial Security under GIP Section 4.8.2 for the cost responsibility assigned to it in the Phase I Interconnection Study for Reliability Network Upgrades, Local Delivery Network Upgrades and Area Delivery Network Upgrades.

4.6.3 Scope of the Phase II Interconnection Study. The Distribution Provider, in coordination with the ISO, as applicable, will conduct a Phase II Interconnection Study that will incorporate eligible Interconnection Requests from the previous Phase I Interconnection Study. The Phase II Interconnection Study shall (i) update, as necessary, analyses performed in the Phase I Interconnection Study to account for the withdrawal of Interconnection Requests or other projects in the interconnection queue, (ii) identify Distribution Upgrades needed to physically interconnect the Generating Facility, (iii) assign cost responsibility for the Distribution Upgrades, (iv) identify final Reliability Network Upgrades needed to physically and reliably interconnect the Generating Facilities and provide final cost estimates, (v) for Queue Cluster 4, identify, following coordination with the ISO's transmission planning process, final Delivery Network Upgrades needed to interconnect those Generating Facilities selecting Full Capacity Deliverability Status or Partial Capacity Deliverability Status and provide final cost estimates, (vi) for Queue Cluster 5 and subsequent Queue Clusters, identify final Local Delivery Network Upgrades needed to interconnect those Generating Facilities selecting Full Capacity Deliverability Status or Partial Capacity Deliverability Status and provide final cost estimates, (vii) for Queue Cluster 5 and subsequent Queue Clusters, identify final Area Delivery Network Upgrades for those Interconnection Customers selecting Option (B) in accordance with GIP Section 4.6.2 and provide revised cost estimates, (viii) identify for each Interconnection Request the final Point of Interconnection and Distribution Provider's Interconnection Facilities,

(ix) provide an estimate for each Interconnection Request of the final Distribution Provider's Interconnection Facilities, and (x) coordinate in-service timing requirements based on operational studies in order to facilitate achievement of the Commercial Operation Dates of the Generating Facilities, as applicable. For Queue Cluster 5 and subsequent Queue Clusters, where the cost estimates applicable to the total of the Reliability Network Upgrades and Local Delivery Network Upgrades are based upon the Phase I Interconnection Study (because the cost estimates for the Network Upgrades were lower and so establish maximum cost responsibility under GIP Section 4.6.7.3), the Phase II Interconnection Study report shall recite this fact.

With respect to the foregoing items, the Phase II Interconnection Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the updated Phase II Interconnection Study technical analyses in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the Distribution System. The Phase II Interconnection Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

4.6.4 Phase II Interconnection Study Procedures. Distribution Provider shall coordinate the Phase II Interconnection Study with the ISO pursuant to GIP Section 3.3, and any Affected System Operator that is affected by the Interconnection Request pursuant to GIP Section 3.7 above. Distribution Provider shall utilize existing studies to the extent practicable in conducting the Phase II Interconnection Study. Distribution Provider will coordinate Base Case development with the ISO to ensure the Base Cases are accurately developed for the assessment of impacts on the ISO Grid. The Distribution Provider shall use Reasonable Efforts to commence the Phase II Interconnection Study January 15 of each year for Queue Cluster 4 and May 1 of each year for Queue Cluster 5 and subsequent Queue Clusters, and to complete and issue to Interconnection Customers the Phase II Interconnection Study report within one hundred ninety-six (196) Calendar Days after the annual commencement of the Phase II Interconnection Study for Queue Cluster 4 and two hundred five (205) Calendar Days after the annual commencement of the Phase II Interconnection Study for Queue Cluster 5 and subsequent Queue Clusters. The Distribution Provider will share the applicable study results with the ISO and any Affected System Operator, if applicable, for review and comment, and will incorporate comments into the study report. The

Distribution Provider will issue a final Phase II Interconnection Study report to Interconnection Customer.

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

Upon request, Distribution Provider shall provide Interconnection Customer all supporting documentation, workpapers, and relevant pre-Interconnection Request and post-Interconnection Request power, short circuit and stability databases for the Phase II Interconnection Study, subject to confidentiality arrangements consistent with GIP Section 11.1.

- 4.6.5 Coordination of the Phase II Interconnection Study with the ISO's Transmission Planning Process.** The Distribution Provider, in cooperation with the ISO, shall coordinate the analysis of impacts on the ISO Grid under the Phase II Interconnection Studies with the ISO's transmission planning process in accordance with Appendix Y or Appendix DD of ISO Tariff, as applicable.
- 4.6.6 Cost Responsibility for Distribution Upgrades.** The cost responsibility for Distribution Upgrades identified in the Phase II Interconnection Study of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request. The cost responsibility for Distribution Upgrades identified through a Group Study in the Phase II Interconnection Study shall be assigned to all Interconnection Requests in that Group Study pro rata on the basis of each Interconnection Request's contribution to the need for the Distribution Upgrade. Notwithstanding the foregoing, each Interconnection Customer will be responsible for its allocated share of the actual costs of Distribution Upgrades as set forth in this GIP Section 4.6.6.
- 4.6.7 Cost Responsibility for Network Upgrades.**
- 4.6.7.1 Cost Responsibility for Reliability Network Upgrades.** The cost responsibility for final Reliability Network Upgrades identified in the Phase II Interconnection Study shall be assigned in accordance with Appendix Y or Appendix DD of the ISO Tariff, as applicable.
- 4.6.7.2 Cost Responsibility for Delivery Network Upgrades.** The cost responsibility for Delivery Network Upgrades for Queue Cluster 4

shall be assigned in accordance with Appendix Y of the ISO Tariff. The cost responsibility for Local Delivery Network Upgrades and Area Delivery Network Upgrades for Queue Cluster 5 and subsequent Queue Clusters shall be assigned in accordance with Appendix DD of the ISO Tariff.

4.6.7.3 Costs Identified in the Phase II Interconnection Study Report Form the Basis of the Second and Third Interconnection Financial Security Postings. The Phase II Interconnection Study report shall set forth the applicable cost estimates for the Network Upgrades in accordance with this GIP Section 4.6.7 and shall establish the basis for the second and third Interconnection Financial Security postings required from each Interconnection Customer under GIP Sections 4.8.3 and 4.8.4 as set forth below.

4.6.7.3.1 For Queue Cluster 4. After the Phase II Interconnection Study report is issued to the Interconnection Customer, the maximum value for the Interconnection Financial Security required of each Interconnection Customer and the maximum cost responsibility of each Interconnection Customer for Network Upgrades shall be established by the lesser of the costs for Network Upgrades assigned to the Interconnection Customer in the final Phase I Interconnection Study report or the final Phase II Interconnection Study report.

4.6.7.3.2 For Queue Cluster 5 and Subsequent Queue Clusters. After the Phase II Interconnection Study report is issued to the Interconnection Customer, the maximum value for Interconnection Financial Security for Reliability Network Upgrades and Local Delivery Network Upgrades shall be established comparing the subtotal cost for Reliability Network Upgrades and Local Delivery Network Upgrades determined in the final Phase I Interconnection Study to the subtotal cost for Reliability Network Upgrades and Local Delivery Network Upgrades determined in the final Phase II Interconnection Study, and utilizing the lower subtotal. The lower subtotal for Reliability Network Upgrades and Local Delivery Network Upgrades shall also establish the Interconnection Customer's maximum cost responsibility for Reliability Network Upgrades and Local Delivery Network Upgrades after issuance of the Phase II Interconnection Study report.

The cost estimate for Area Delivery Network Upgrades set forth in the Phase II Interconnection Study report shall

provide the basis for second and third Interconnection Financial Postings for those Interconnection Customers that have selected Option (B). The Area Delivery Network Upgrades cost estimates provided in any Interconnection Study report are estimates only and do not provide a maximum value for cost responsibility to an Interconnection Customer for Area Delivery Network Upgrades. Notwithstanding the foregoing, each Interconnection Customer will be responsible for its allocated share of the actual costs of Area Delivery Network Upgrades as set forth in this GIP Section 4.6.7.3.2.

4.6.8 Financing Network Upgrades that are or were an Obligation of an Entity other than Interconnection Customer. The Distribution Provider shall be responsible for financing the Network Upgrades, meeting the conditions as specified below, necessary to support the interconnection of the Generating Facility of an Interconnection Customer with a GIA under this GIP, whenever either:

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

The obligation under this GIP Section 4.6.8 arises only after the Distribution Provider, in coordination with the ISO, determines that the Network Upgrades remain needed to support the interconnection of the Interconnection Customer's Generating Facility notwithstanding, as applicable, the absence or delay of the Generating Facility that is

contractually, or was previously contractually, associated with the Network Upgrades.

4.6.9 Interim Energy-Only Interconnection Until Delivery Network Upgrades Are Completed. If it is determined that the Delivery Network Upgrades cannot be completed by the Interconnection Customer's identified Commercial Operation Date, the Interconnection Study will include interim mitigation measures necessary to allow the Generating Facility to interconnect as an energy-only resource until the Delivery Network Upgrades for the Generating Facility are completed and placed into service, unless interim partial capacity deliverability measures are developed by the ISO.

4.6.10 Results Meeting with Distribution Provider and ISO. Within thirty (30) Calendar Days of providing the final Phase II Interconnection Study report to Interconnection Customer, Distribution Provider, the ISO, any Affected System Operator, if applicable, and Interconnection Customer shall meet to discuss the results of the Phase II Interconnection Study, including selection of the final Commercial Operation Date.

Should the Interconnection Customer provide written comments on the final Phase II Interconnection Study report within ten (10) Business Days of receipt of the report, but in no case less than three (3) Business Days before the Results Meeting, whichever is sooner, then the Distribution Provider, ISO, or the Affected System Operator, as applicable, will address the written comments in the Phase II Interconnection Study Results Meeting. Should the Interconnection Customer provide comments at any later time (up to the time of the Results Meeting), then such comments shall be considered informal inquiries to which the Distribution Provider will provide informal, informational responses at the Results Meeting, to the extent possible.

The Interconnection Customer may submit, in writing, additional comments on the final Phase II Interconnection Study report up to three (3) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received, the Distribution Provider (in consultation with the ISO, as applicable) will determine, in accordance with GIP Section 4.5.7.4, whether it is necessary to follow the final Phase II Interconnection Study Report with a revised study report or an addendum to the report. Written comments on the Phase II Interconnection Study report provided by the Interconnection Customer in accordance with this GIP Section 4.6.10 will be included as an addendum to the Phase II Interconnection Study report. The Distribution Provider will issue any such revised report or addendum, if required, to the Interconnection Customer, or otherwise respond in writing to the

Interconnection Customer's comments, no later than fifteen (15) Business Days following the Results Meeting.

- 4.6.11 Re-Evaluation of Distribution Upgrades Following Phase II Study.** If an assessment following the issuance of the final Phase II Interconnection Study is required to re-evaluate an Interconnection Customer's required Distribution Upgrades due to a project withdrawal, Distribution Provider shall so notify the Interconnection Customer in writing. Such re-evaluation shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of the re-evaluation shall be borne by the Interconnection Customer being re-evaluated.
- 4.6.12 Re-Evaluation of Network Upgrades Following Phase II Study.** Any re-evaluation of required Network Upgrades following issuance of the Phase II Interconnection Study due to project withdrawals shall be performed in accordance with the procedures of the ISO Tariff GIP.
- 4.6.13 Allocation Process for TP Deliverability for Queue Cluster 5 and Subsequent Queue Clusters.** After the Phase II Interconnection Study reports are issued for Queue Cluster 5 and subsequent Queue Clusters, the TP Deliverability allocation will be performed by the ISO pursuant to Appendix DD of the ISO Tariff. Within two (2) Business Days following the ISO's issuance of the market notice in accordance with Section 8.9 of Appendix DD of the ISO Tariff, the Distribution Provider will notify Interconnection Customers as to the ISO's timeline for commencement of the allocation activities, for Interconnection Customer submittal of eligibility status and retention information, and anticipated release of allocation results to Interconnection Customers. The Interconnection Customer must submit simultaneously to the Distribution Provider and the ISO the information required by Section 8.9.2 of Appendix DD to the ISO Tariff. Upon receipt from the ISO of the result of the allocation of TP Deliverability, the Interconnection Customers will have seven (7) Calendar Days to inform the Distribution Provider and the ISO of its decision in accordance with Sections 8.9.4, 8.9.5, and 8.9.6 of Appendix DD of the ISO Tariff. The Distribution Provider shall not be responsible for the results of the ISO's allocation of TP Deliverability. If the Interconnection Customer disputes the outcome of the ISO's TP Deliverability allocation, the Interconnection Customer must raise such dispute with the ISO in accordance with the ISO Tariff Dispute Resolution procedures. The results of the TP Deliverability allocation will be reflected in the GIA between the Distribution Provider and Interconnection Customer. The Interconnection Customer must demonstrate to the Distribution Provider and the ISO, in the form required by the ISO, that it meets the criteria set forth in Appendix DD of the ISO Tariff, in order to retain its TP Deliverability allocation.

4.6.13.1 Consequences of Failure to Retain TP Deliverability. An Interconnection Customer's failure to retain its allocation of TP Deliverability shall not be considered a Breach of the GIA. Upon failure of the Interconnection Customer to retain TP Deliverability, the Deliverability status of the Generating Facility corresponding to the Interconnection Request shall convert to Energy-Only Deliverability Status as to that portion of the Generating Facility which has not retained the TP Deliverability.

4.7 Additional Deliverability Assessment Option

4.7.1 Annual Full Capacity Deliverability Option. Consistent with Appendix DD of the ISO Tariff, Generating Facilities eligible for Deliverability under this section are: (i) a Generating Facility previously studied as Energy-Only Deliverability Status or which has a generator interconnection agreement under which the Generating Facility has Energy-Only Deliverability Status and such generator interconnection agreement is in good standing at the time of request under this section; (ii) an Option (A) Generating Facility not allocated TP Deliverability Status and has a GIA in good standing and desires to seek additional Deliverability with respect to the Energy-Only Deliverability Status portion of the Generating Facility; and (iii) an Option (B) Generating Facility which chose Partial Capacity Deliverability Status and has a GIA in good standing, and desires to seek additional Deliverability with respect to the Energy-Only Deliverability Status portion of the Generating Facility. An eligible Generating Facility will have an option to be studied for Full Capacity Deliverability Status (to determine whether it can be designated for Full Capacity Deliverability Status) or Partial Capacity Deliverability Status, based on available transmission capacity. To be considered in the Annual Full Capacity Deliverability Study, the Interconnection Customer must make a request for such a study which complies with GIP Section 4.2.1 within a Cluster Application Window. The Annual Full Capacity Deliverability Study will be performed by the ISO pursuant to either Appendix Y of the ISO Tariff for Queue Cluster 4, or Appendix DD of the ISO Tariff for Queue Cluster 5 and subsequent Queue Clusters. Any Interconnection Customer selecting this option will be studied by the ISO immediately following the TP Deliverability allocation following the Phase II Interconnection Studies associated with the Cluster Application Window during which the Interconnection Customer submitted the request.

4.7.1.1

Study Costs. The Distribution Provider and the ISO shall execute any necessary agreements for reimbursement of study costs incurred

and to assure cost attribution for any Network Upgrades relating to any Deliverability status conferred to such customers.

4.8 Interconnection Financial Security

4.8.1 Types of Interconnection Financial Security. The Interconnection Financial Security posted by an Interconnection Customer may be any combination of the following types of Interconnection Financial Security provided in favor of the Distribution Provider:

- (a) an irrevocable and unconditional letter of credit issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;
- (b) an irrevocable and unconditional surety bond issued by an insurance company that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;
- (c) an unconditional and irrevocable guaranty issued by a company has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;
- (d) a cash deposit standing to the credit of the Distribution Provider and in an interest-bearing escrow account maintained at a bank or financial institution that is reasonably acceptable to the Distribution Provider;
- (e) a certificate of deposit in the name of the Distribution Provider issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's; or
- (f) a payment bond certificate in the name of the Distribution Provider issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's.

Interconnection Financial Security instruments as listed above shall be in such form as the Distribution Provider may reasonably require from time to time by notice to Interconnection Customers or in such other form as has been evaluated and approved as reasonably acceptable by the Distribution Provider. The Distribution Provider shall require the use of standardized forms of Interconnection Financial Security to the greatest extent possible. If at any time the guarantor of the Interconnection Financial Security fails to maintain the credit rating required by this GIP Section 4.8.1, the Interconnection Customer shall provide to the Distribution Provider replacement Interconnection Financial Security

meeting the requirements of this GIP Section 4.8.1 within five (5) Business Days of the change in credit rating.

Interest on a cash deposit standing to the credit of the Distribution Provider in an interest-bearing escrow account under subpart (d) of this GIP Section 4.8.1 will accrue to the Interconnection Customer's benefit.

4.8.2 Initial Posting of Interconnection Financial Security. On or before ninety (90) Calendar Days after issuance of the final Phase I Interconnection Study report, Interconnection Customers must post, with notice to the Distribution Provider, two separate Interconnection Financial Security instruments: (i) a posting relating to the applicable Network Upgrades; and (ii) a posting relating to the Distribution Provider's Interconnection Facilities and Distribution Upgrades. If the Distribution Provider revises a final Phase I Interconnection Study report pursuant to GIP Section 4.5.7.4, the initial postings set forth in this GIP Section 4.8.2 will be due from the Interconnection Customer by the later of ninety (90) Calendar Days after issuance of the original final Phase I Interconnection Study report or forty (40) Calendar Days after issuance of the revised final Phase I Interconnection Study report.

4.8.2.1 Interconnection Financial Security Posting Amounts For Queue Cluster 4. First, the Interconnection Customer proposing to interconnect a Large Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen (15) percent of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, (ii) \$20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) \$7,500,000.

The Interconnection Customer proposing to interconnect a Small Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen (15) percent of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, or (ii) \$20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request.

If an Interconnection Customer switches its status from Full Capacity Deliverability Status or Partial Capacity Deliverability Status to Energy-Only Deliverability Status within ten (10) Business Days following the Phase I Interconnection Study Results Meeting, as permitted in GIP Section 4.6.1, the required Interconnection Financial Security for Network Upgrades shall be capped, for purposes of this section, at an amount no greater than the total cost responsibility assigned to the Interconnection Customer in the Phase I Interconnection Study for Reliability Network Upgrades.

Second, the Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of fifteen (15) percent of the total estimated cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

4.8.2.2 Interconnection Financial Security Posting Amounts For Queue Cluster 5 and Subsequent Queue Clusters.

4.8.2.2.1 Posting Amount for Network Upgrades for Small Generating Facilities. Each Interconnection Customer for a Small Generating Facility shall post an Interconnection Financial Security instrument as follows:

1) Interconnection Customers selecting Energy Only Deliverability Status must post for Reliability Network Upgrades. The posting amount for such Reliability Network Upgrades shall equal the lesser of (i) fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, or (ii) \$20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto.

2) Interconnection Customers selecting Option (A) Full Capacity Deliverability Status or Partial Capacity Deliverability Status must post for Reliability Network Upgrades and Local Delivery Network Upgrades. The posting amount for such Reliability Network Upgrades and Local Delivery Network Upgrades shall equal the lesser of

(i) fifteen percent (15%) of the total Reliability Network Upgrades and Local Delivery Network Upgrades cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study, or (ii) \$20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto.

3) Interconnection Customers selecting Option (B) Full Capacity Deliverability Status or Partial Capacity Deliverability Status must post for Reliability Network Upgrades, Local Delivery Network Upgrades and Area Delivery Network Upgrades. The posting amount for such Reliability Network Upgrades, Local Delivery Network Upgrades and Area Delivery Network Upgrades shall equal the lesser of (i) fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, or (ii) \$20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto.

4.8.2.2.2 Posting Amount for Network Upgrades for Large Generating Facilities. Each Interconnection Customer for a Large Generating Facility shall post an Interconnection Financial Security instrument as follows:

1) Interconnection Customers selecting Energy Only Deliverability Status must post for Reliability Network Upgrades. The posting amount for such Reliability Network Upgrades shall equal the lesser of (i) fifteen percent (15%) of the total Reliability Network Upgrades cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study, (ii) \$20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) \$7,500,000.

In addition, if an Interconnection Customer switches its status from Full Capacity Deliverability Status to Energy-Only Deliverability Status within five (5) Business Days following the Phase I Interconnection Study Results Meeting, the required Interconnection Financial Security for Network Upgrades shall, for purposes of this section, be additionally capped at an amount no greater than the total cost responsibility assigned to the Interconnection Customer in the Phase I Interconnection Study for Reliability Network Upgrades.

2) Interconnection Customers selecting Option (A) Full Capacity Deliverability Status or Partial Capacity Deliverability Status must post for Reliability Network Upgrades and Local Delivery Network Upgrades. The posting amount for such Reliability Network Upgrades and Local Delivery Network Upgrades shall equal the lesser of (i) fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, (ii) \$20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) \$7,500,000.

3) Interconnection Customers selecting Option (B) Full Capacity Deliverability Status or Partial Capacity Deliverability Status must post for Reliability Network Upgrades, Local Delivery Network Upgrades, and Area Delivery Network Upgrades. The posting amount for such Reliability Network Upgrades, Local Delivery Network Upgrades, and Area Delivery Network Upgrades shall be equal to the lesser of (i) fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, (ii) \$20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) \$7,500,000.

4.8.2.2.3 Posting Amount for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

The Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of fifteen (15) percent of the total estimated cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

4.8.2.3 Consequences for Failure to Post. The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 4.8.2 shall result in the Interconnection Request being deemed withdrawn and subject to GIP Section 3.11.

4.8.2.4 Timing of Notice to the Distribution Provider. The Interconnection Customer shall provide the Distribution Provider with written notice that it has posted the required Interconnection Financial Security no later than the applicable final day for posting.

4.8.2.5 Effect of Decrease in Output on Initial Posting Requirement. If an Interconnection Customer decreases the electrical output of its facility after the completion of the Phase I Interconnection Study, pursuant to GIP Section 4.5.7.2, and the Distribution Provider, in consultation with the ISO, is able to reasonably determine, prior to the date for initial posting of Interconnection Financial Security, that as a result of such decrease (solely or in combination with other modifications made by Interconnection Customers in the same Group Study) some of the Network Upgrades, Distribution Upgrades, and/or Distribution Provider's Interconnection Facilities identified in the Phase I Interconnection Study will no longer be required, then the calculation of the initial posting of Interconnection Financial Security will not include those Network Upgrades, Distribution Upgrades, and/or Distribution Provider's Interconnection Facilities. Such determination will be made based on the Distribution Provider's best engineering judgment and will not include any re-studies.

4.8.3 Second Posting of Interconnection Financial Security. On or before one hundred eighty (180) Calendar Days after issuance of the final Phase II Interconnection Study report, the Interconnection Customer shall post, with notice to the Distribution Provider, two separate Interconnection Financial Security instruments: (i) a posting relating to the applicable Network Upgrades; and (ii) a posting relating to the Distribution

Provider's Interconnection Facilities and Distribution Upgrades. However, if the Distribution Provider revises a final Phase II Interconnection Study report pursuant to GIP Section 4.5.7.4, the postings set forth in this GIP Section 4.8.3 will be due from the Interconnection Customer by the later of one hundred-eighty (180) Calendar Days after issuance of the original final Phase II Interconnection Study report or sixty (60) Calendar Days after issuance of the revised final Phase II Interconnection Study report.

4.8.3.1 Interconnection Financial Security Posting Amounts For Queue Cluster 4. First, the Interconnection Customer proposing to interconnect a Large Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Network Upgrades equals the lesser of (i) \$15 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Phase I Interconnection Study or final Phase II Interconnection Study, whichever is lower.

The Interconnection Customer proposing to interconnect a Small Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Network Upgrades equals the lesser of (i) \$1 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Phase I Interconnection Study or final Phase II Interconnection Study, whichever is lower.

Second, the Interconnection Customer shall also post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades equals thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer in the final Phase II Interconnection Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

4.8.3.2 Interconnection Financial Security Posting Amounts For Queue Cluster 5 and Subsequent Queue Clusters.

4.8.3.2.1 Posting Requirements and Timing for Parked Option (A) Generating Facilities. For an Interconnection Customer choosing Option (A) whose Generating Facility was not allocated TP Deliverability in the first TP

Deliverability allocation following its receipt of the final Phase II Interconnection Study, and who chooses to park the Interconnection Request, the posting due date will be extended by 12 months.

For an Interconnection Customer choosing Option (A) whose Generating Facility was allocated TP Deliverability for less than the full amount of its Interconnection Request, and who chooses to seek additional TP Deliverability for the remainder of the requested Deliverability of the Interconnection Request in the next allocation cycle, the postings for Reliability Network Upgrades, Distribution Provider's Interconnection Facilities, Distribution Upgrades and for Local Delivery Network Upgrades corresponding to the initial allocation of TP Deliverability will be due in accordance with the dates specified above. The posting due date for the Local Delivery Network Upgrades corresponding to the remainder of the requested Deliverability will be extended by 12 months.

4.8.3.2.2 Posting Amount for Network Upgrades for Small Generating Facilities. For each Interconnection Customer for a Small Generating Facility, the second Interconnection Financial Security instrument shall bring the security amount up to the following:

- 1) For Interconnection Customers selecting Energy Only Deliverability Status: the lesser of (i) \$1 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades in the final Phase II Interconnection Study report.
- 2) For Interconnection Customers who have Option (A) Generating Facilities, the lesser of (i) \$1 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades and Local Delivery Network Upgrades in the final Phase II Interconnection Study.
- 3) For Interconnection Customers who have Option (B) Generating Facilities: the lesser of (i) \$1 million, or (ii) the sum of: (a) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades and Local Delivery Network Upgrades in the final Phase II Interconnection Study; plus, (b) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for Area Delivery Network

Upgrades in the final Phase II Interconnection Study. However, to the extent that the Option (B) Interconnection Customer's Generating Facility is allocated TP Deliverability, the cost responsibility assigned to the Interconnection Customer for Area Delivery Network Upgrades will be adjusted to reflect the allocation of TP Deliverability. If the allocation of TP Deliverability is sufficient to provide for the full Deliverability of the Interconnection Request, then the Area Delivery Network Upgrades cost responsibility will equal zero (0). If the allocation of TP Deliverability is insufficient to provide the full Deliverability of the Interconnection Request, then the Area Delivery Network Upgrades cost responsibility will be reduced pro rata.

4.8.3.2.3 Posting Amount for Network Upgrades for Large Generating Facilities. Each Interconnection Customer for a Large Generating Facility shall post an Interconnection Financial Security instrument that brings the security amount up to the following:

- 1) For Interconnection Customers selecting Energy Only Deliverability Status: the lesser of (i) \$15 million or (ii) thirty (30) percent of the total cost responsibility assigned to the (i) \$15 million or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades in the final Phase II Interconnection Study.
- 2) For Interconnection Customers who have Option (A) Generating Facilities: the lesser of (i) \$15 million or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades and Local Delivery Network Upgrades in the final Phase II Interconnection Study.
- 3) For Interconnection Customers who have Option (B) Generating Facilities: the lesser of (i) \$15 million or (ii) the sum of: (a) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades and Local Delivery Network Upgrades in the final Phase II Interconnection Study; plus (b) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for Area Delivery Network Upgrades in the final Phase II Interconnection Study. However, to the extent that the Option (B) Interconnection

Customer's Generating Facility is allocated TP Deliverability, the cost responsibility assigned to the Interconnection Customer for Area Delivery Network Upgrades will be adjusted to reflect the allocation of TP Deliverability. If the allocation of TP Deliverability is sufficient to provide for the full Deliverability of the Interconnection Request, then the Area Delivery Network Upgrades cost responsibility will equal zero (0). If the allocation of TP Deliverability is insufficient to provide the full Deliverability of the Interconnection Request, then the Area Delivery Network Upgrades cost responsibility will be reduced pro rata.

4.8.3.2.4 Posting Amount for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

The Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of thirty (30) percent of the total estimated cost responsibility assigned to the Interconnection Customer in the final Phase II Interconnection Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

4.8.3.3 Early Commencement of Construction Activities. If the start date for Construction Activities of Network Upgrades, Distribution Provider's Interconnection Facilities and Distribution Upgrades on behalf of the Interconnection Customer is prior to one hundred eighty (180) Calendar Days after issuance of the final Phase II Interconnection Study report, that start date must be set forth in the Interconnection Customer's GIA, and the Interconnection Customer shall make its second posting of Interconnection Financial Security pursuant to GIP Section 4.8.4 rather than GIP Section 4.8.3.

4.8.3.4 Consequences for Failure to Post. The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 4.8.3 shall result in the Interconnection Request being deemed withdrawn and subject to GIP Section 3.11 or, if applicable, shall constitute grounds for termination of the GIA pursuant to GIA Article 2.3.

4.8.4 Third Posting of Interconnection Financial Security. On or before the start of Construction Activities for Network Upgrades or Distribution Provider's Interconnection Facilities or Distribution Upgrades on behalf of the Interconnection Customer, whichever is earlier, the Interconnection

Customer shall modify the two separate Interconnection Financial Security instruments posted pursuant to GIP Section 4.8.3.

4.8.4.1 Interconnection Financial Security Posting Amounts For Queue Cluster 4. With respect to the Interconnection Financial Security instrument for Network Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Phase I Interconnection Study or Phase II Interconnection Study, whichever is lower. With respect to the Interconnection Financial Security instrument for Distribution Provider's Interconnection Facilities or Distribution Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Distribution Provider's Interconnection Facilities in the final Phase II Interconnection Study.

4.8.4.2 Interconnection Financial Security Posting Amounts For Queue Cluster 5 and Subsequent Queue Clusters.

4.8.4.2.1 Network Upgrades. With respect to the Interconnection Financial Security instrument for Network Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades, Local Delivery Network Upgrades, and Area Delivery Network Upgrades.

An Interconnection Customer whose Option (B) Generating Facility was not allocated TP Deliverability and elects to have a party other than the Distribution Provider construct the Local Delivery Network Upgrades or Area Delivery Network Upgrades is not required to make the third posting for its cost responsibilities for such Local Delivery Network Upgrades or Area Delivery Network Upgrades. However, such Interconnection Customer will be required to demonstrate its financial capability to pay for the full cost of construction of its share, as applicable, of the Local Delivery Network Upgrades or Area Delivery Network Upgrades pursuant to Section 24.4.6.1 of the ISO Tariff. An Interconnection Customer's election to have a party other than the Distribution Provider construct Local Delivery Network Upgrades or Area Delivery Network Upgrades does not relieve the Interconnection Customer of

the responsibility to fund or construct such Local Delivery Network Upgrades or Area Delivery Network Upgrades. Upon the Interconnection Customer's demonstration to the Distribution Provider and the ISO that the Interconnection Customer has expended the amount of the avoided posting requirement on construction of the Local Delivery Network Upgrades or Area Delivery Network Upgrades described here, the Interconnection Customer's second posting for these facilities will be returned to the Interconnection Customer, unless the Distribution Provider and Interconnection Customer agree to an alternative arrangement.

4.8.4.2.2 Distribution Provider's Interconnection Facilities and Distribution Upgrades. With respect to the Interconnection Financial Security instrument for the Distribution Provider's Interconnection Facilities and Distribution Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for the Distribution Provider's Interconnection Facilities and Distribution Upgrades in the final Phase II Interconnection Study report.

4.8.4.3 Consequences for Failure to Post. The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 4.8.4 shall constitute grounds for termination of the GIA pursuant to GIA Article 2.3.

4.8.5 General Effect of Withdrawal of Interconnection Request or Termination of the GIA on Interconnection Financial Security. Except as set forth in GIP Section 4.8.5.1, withdrawal of an Interconnection Request or termination of a GIA shall allow the Distribution Provider to liquidate the Interconnection Financial Security, or balance thereof, posted by the Interconnection Customer for Network Upgrades at the time of withdrawal. To the extent the amount of the liquidated Interconnection Financial Security plus capital, if any, separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer, the Distribution Provider shall remit to the Interconnection Customer the excess amount.

Withdrawal of an Interconnection Request or termination of a GIA shall result in the release to the Interconnection Customer of any

Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer for the Distribution Provider's Interconnection Facilities and Distribution Upgrades and for which the Distribution Provider has not been reimbursed.

4.8.5.1 Conditions for Partial Recovery of Interconnection Financial Security Upon Withdrawal of Interconnection Request or Termination of GIA. A portion of the Interconnection Financial Security shall be released to the Interconnection Customer, consistent with GIP Section 4.8.5.2, if the withdrawal of the Interconnection Request or termination of the GIA occurs for any of the following reasons:

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

Interconnection Customers that attested on the TP Deliverability allocation affidavit under Section 8.9.2, part (2), subpart (a) of Appendix DD to the ISO Tariff are ineligible to claim this condition for partial recovery of Interconnection Financial Security.

- (b) **Failure to Secure a Necessary Permit.** At the time of withdrawal of the Interconnection Request or termination of the GIA, the Interconnection Customer demonstrates to the Distribution Provider that it has received a final denial from the primary issuing Governmental Authority of any permit or other authorization necessary for the construction or operation of the Generating Facility.
- (c) **Increase in the Cost of Distribution Provider's Interconnection Facilities or Distribution Upgrades.** The Interconnection Customer withdraws the Interconnection Request or terminates the GIA based on an

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increase of: (i) more than 30% or \$300,000, whichever is greater, in the estimated cost of Distribution Provider's Interconnection Facilities; or (ii) more than 30% or \$300,000, whichever is greater, in the estimated cost of Distribution Upgrades allocated to the Interconnection Customer from the Phase I Interconnection Study to the Phase II Interconnection Study. This GIP Section 4.8.5.1(c) shall not apply if the cause of the cost increase under (i) or (ii) above is the result of a change requested by the Interconnection Customer pursuant to Section 4.5.7.2 of this GIP.

- (d) **Material Change in Interconnection Customer's Interconnection Facilities Created by the Distribution Provider's Change in the Point of Interconnection.** The Interconnection Customer withdraws the Interconnection Request or terminates the GIA based on a material change from the Phase I Interconnection Study in the Point of Interconnection for the Generating Facility mandated by the Distribution Provider and included in the final Phase II Interconnection Study. A material change in the Point of Interconnection shall be where the Point of Interconnection has moved to (i) a different substation, (ii) a different line on a different right of way, or (iii) a materially different location than previously identified on the same line.
- (e) An Interconnection Customer in Queue Cluster 5 or subsequent Queue Clusters having selected Option (A) in accordance with GIP Section 4.6.2 is not allocated TP Deliverability and notifies the Distribution Provider and ISO of its election to withdraw by the deadline for the second posting of Interconnection Financial Security. This condition does not apply to an Interconnection Customer whose Generating Facility was allocated TP Deliverability for a portion of its Interconnection Request and elected to park for one Cluster Study Cycle and seek additional Deliverability in the next TP Deliverability allocation process.
- (f) An Interconnection Customer in Queue Cluster 5 or subsequent Queue Clusters having selected Option (B) in accordance with GIP Section 4.6.2 an increase in the Phase II Interconnection Study cost estimates for Area Delivery Network Upgrades over the Phase I Interconnection Study cost estimates for Area Delivery Network Upgrades of either twenty (20) percent, or \$20 million, whichever is

less. Provided, however, that the Interconnection Financial Security shall not be released if this increase in the estimated cost of Area Delivery Network Upgrades is due to the Interconnection Customer's requested modification to the interconnection configuration.

4.8.5.2 Determining Refundable Portion of the Interconnection Financial Security for Network Upgrades.

4.8.5.2.1 Withdrawal Between the First Posting and the

Deadline for the Second Posting. If the Interconnection Customer either withdraws its Interconnection Request or terminates its GIA under any of the applicable conditions (a)-(f) of GIP Section 4.8.5.1 and at any time between the initial posting and the deadline for the second posting of the Interconnection Financial Security for applicable Network Upgrades, the Distribution Provider shall liquidate the Interconnection Financial Security for the applicable Network Upgrades under GIP Section 4.8.2 and reimburse the Interconnection Customer the lesser of: (a) the Interconnection Financial Security plus any other provided security plus any separately provided capital less all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, or (b) the Interconnection Financial Security plus any other provided security plus any separately provided capital minus the lesser of (i) fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or (ii) \$10,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal.

4.8.5.2.2 Withdrawal Between the Second Posting and the Commencement of Construction Activities.

If the Interconnection Customer either withdraws its Interconnection Request or terminates its GIA under any of the applicable conditions (a)-(f) of GIP Section 4.8.5.1 and at any time between the second posting of the Interconnection Financial Security for applicable Network Upgrades and the commencement of Construction Activities for such Network Upgrades, then the Distribution Provider shall liquidate the Interconnection Financial Security for the applicable Network Upgrades under GIP Section 4.8.3 and reimburse the Interconnection Customer the lesser of: (a) the

Interconnection Financial Security plus any other provided security plus any separately provided capital less all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, or (b) the Interconnection Financial Security plus any other provided security plus any separately provided capital minus the lesser of (i) fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or (ii) \$20,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal.

4.8.5.2.3 Special Treatment Based on Failure to Obtain Necessary Permit or Authorization from

Governmental Authority. If, at any time after the second posting requirement under GIP Section 4.8.3, the Interconnection Customer withdraws the Interconnection Request or terminates the GIA, as applicable, in accordance with GIP Section 4.8.5.1(b), and the Delivery Network Upgrades to be financed by the Interconnection Customer are also to be financed by one or more other Interconnection Customers, then GIP Section 4.8.5.2.1 shall apply, except that the Interconnection Customer shall not be reimbursed for its share of any actual costs incurred or irrevocably committed by the Distribution Provider for Construction Activities.

4.8.5.2.4 After Commencement of Construction Activities.

Except as otherwise provided in GIP Section 4.8.5.2.3, once Construction Activities on Network Upgrades on behalf of the Interconnection Customer commence, any withdrawal of the Interconnection Request or termination of the GIA by the Interconnection Customer will be treated as follows: The Distribution Provider shall liquidate the Interconnection Financial Security, or balance thereof, posted by the Interconnection Customer for Network Upgrades at the time of withdrawal. To the extent the amount of the liquidated Interconnection Financial Security plus capital, if any, separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer, the Distribution Provider shall remit to the Interconnection Customer the excess amount. Withdrawal of an Interconnection Request or termination

of a GIA shall result in the release to the Interconnection Customer of any Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer for the Distribution Provider's Interconnection Facilities or Distribution Upgrades and for which the Distribution Provider has not been reimbursed in accordance with this section.

4.8.5.2.5 Notification to ISO and Accounting by Distribution Provider. The Distribution Provider will notify the ISO within three (3) Business Days of liquidating any Interconnection Financial Security. Within thirty (30) Calendar Days of any liquidating event, the Distribution Provider will provide the ISO and Interconnection Customer with an accounting of the disposition of the proceeds of the liquidated Interconnection Financial Security and remit to the ISO all proceeds not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer in accordance with this GIP Section 4.8.5. All non-refundable portions of the Interconnection Financial Security remitted to the ISO in accordance with this GIP Section 4.8.5 shall be treated in accordance with Section 7.6 of Appendix DD to the ISO Tariff.

4.8.5.3 Adjusting Network Upgrade Postings Following Reassessment Process. For Interconnection Customers in Queue Cluster 5 or subsequent Queue Clusters having selected Option (B), the most recent reassessment conducted under Section 7.4 of Appendix DD of the ISO Tariff in any Interconnection Study Cycle following the Interconnection Customer's receipt of its Phase II Interconnection Study report shall provide the most recent cost estimates for the Interconnection Customer's Area Delivery Network Upgrades, and the Interconnection Customer shall adjust its Interconnection Financial Security for Network Upgrades to correspond to the most recent estimate for Area Delivery Network Upgrades.

4.9 Generator Interconnection Agreement (GIA)

4.9.1 Tender. If the Interconnection Customer requested Full Capacity Deliverability Status or Partial Capacity Deliverability Status, then within

thirty (30) Calendar Days after the Distribution Provider provides the updated Phase II Interconnection Study report (or by an earlier date, if all parties agree) which includes the ISO's allocation of TP Deliverability to the Interconnection Customer, the Distribution Provider shall tender a draft GIA, together with draft appendices. If the Interconnection Customer requested Energy-Only Deliverability Status, then within thirty (30) Calendar Days following the Results Meeting for the final Phase II Interconnection Study (or by an earlier date, if all parties agree), the Distribution Provider shall tender a draft GIA, together with draft appendices. The draft GIA shall be in the form of Distribution Provider's FERC-approved form GIA, which is in Appendix 5 to the GIP. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices within thirty (30) Calendar Days.

However, an eligible Interconnection Customer in Queue Cluster 5 or subsequent Queue Clusters may make a one-time election to opt for a Rule 21 GIA by notifying the Distribution Provider in writing no later than seven (7) Calendar Days after the Distribution Provider provides the final Phase II Interconnection Study report to the Interconnection Customer. The draft Rule 21 GIA shall be in the form of Distribution Provider's CPUC-approved form Rule 21 GIA. To make this election, the Interconnection Customer must be eligible to interconnect under state jurisdiction at the time of election. On the date a Rule 21 GIA is executed by the Interconnection Customer and Distribution Provider, jurisdiction over the Interconnection Service reverts to the CPUC, except as otherwise provided in the Rule 21 GIA.

4.9.2 Negotiation. Notwithstanding GIP Section 4.9.1, at the request of Interconnection Customer Distribution Provider shall begin negotiations with Interconnection Customer concerning the appendices to the GIA at any time after the Distribution Provider provides the Interconnection Customer with the final Phase II Interconnection Study report. Distribution Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than one hundred twenty (120) Calendar Days after the Distribution Provider provides the Interconnection Customer with the final Phase II Interconnection Study report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft GIA pursuant to GIP Section 4.9.1 and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to GIP Section 11.2. If Interconnection Customer requests termination of the negotiations, but within one hundred twenty (120) Calendar Days after issuance of the final Phase II Interconnection Study report, fails to request either the filing of the unexecuted GIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless

otherwise agreed by the Parties, if Interconnection Customer has not executed the GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to GIP Section 11.2 within one hundred twenty (120) Calendar Days after issuance of the final Phase II Interconnection Study report, it shall be deemed to have withdrawn its Interconnection Request. Distribution Provider shall provide to Interconnection Customer a final GIA within fifteen (15) Business Days after the completion of the negotiation process.

The Distribution Provider may declare an impasse upon one hundred twenty (120) Calendar Days after issuance of the final Phase II Interconnection Study report, or at anytime following one hundred twenty (120) Calendar Days after issuance of the final Phase II Interconnection Study report if the Parties have agreed to extend negotiation of the GIA. If the Distribution Provider declares an impasse, the Distribution Provider will file the GIA unexecuted with FERC within twenty one (21) Calendar Days.

Anytime after the final Phase II Interconnection Study report is issued, if the Interconnection Customer's In-Service Date is not achievable based on the estimated time (i) to negotiate the GIA, and (ii) to construct the longest lead Network Upgrade, Interconnection Facility, or Distribution Upgrade as set forth in the Interconnection Study reports, the Interconnection Request shall be deemed withdrawn pursuant to GIP Section 3.11.

Execution of the GIA and the filing of the GIA at FERC are addressed in Section 9 of the GIP.

Section 5. Independent Study Process

5.1 Timing For Submitting Interconnection Requests

An Interconnection Customer may submit an Interconnection Request for processing under the Independent Study Process at any time during the year. The Distribution Provider, in coordination with the ISO, as applicable, will study Interconnection Requests eligible for treatment under the Independent Study Process independently from other Interconnection Requests.

5.1.1 Interconnection Requests for the Independent Study Process received by the Distribution Provider during the period commencing thirty (30) Calendar Days prior to the opening of a Cluster Application Window through the last day of the Cluster Application Window, or projects that elect to be evaluated under the Independent Study Process pursuant to GIP Sections 6.9.3, 6.11 or 6.11.54.3 that submit the required deposit during or after this period, will be placed in the interconnection queue after projects received during the applicable Cluster Application Window for the

purpose of evaluating the Electrical Independence Test and performing the Interconnection Studies.

5.2 Processing of Interconnection Request

5.2.1 Initiating an Interconnection Request. To initiate an Interconnection Customer under the Independent Study Process, Interconnection Customer must submit all of the following: (i) an Interconnection Study Deposit equal to \$50,000 plus \$1,000 per MW of electrical output of the Generating Facility, or the increase in electrical output of the existing Generating Facility, as applicable, rounded up to the nearest whole megawatt, up to a maximum of \$250,000; (ii) a completed Interconnection Request in the form of Appendix 1 to the GIP, including requested deliverability status, preferred Point of Interconnection and voltage level, and all other technical data; and (iii) demonstration of Site Exclusivity or a posting of a Site Exclusivity Deposit of \$100,000 for a Small Generating Facility or \$250,000 for a Large Generating Facility. The demonstration of Site Exclusivity, at a minimum, must be through the Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility.

5.2.1.1 Use of Interconnection Study Deposit. The Interconnection Study Deposit shall be applied to pay for prudent costs incurred by the Distribution Provider, the ISO, or third parties at the direction of the Distribution Provider or ISO, as applicable, to perform and administer the Interconnection Studies.

The Interconnection Study Deposits shall be refundable as follows:

- (a) Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 on or before thirty (30) Calendar Days following the Scoping Meeting, the Distribution Provider shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit that exceeds the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).
- (b) Should an Interconnection Request made under GIP Section 5.2.1 be withdrawn by the Interconnection

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Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 more than thirty (30) Calendar Days after the Scoping Meeting, but on or before thirty (30) Calendar Days following the Results Meeting for the Interconnection System Impact Study, the Distribution Provider shall refund to the Interconnection Customer the difference between (i) the Interconnection Customer's Interconnection Study Deposit and (ii) the greater of the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf or one-half of the original Interconnection Study Deposit up to a maximum of \$100,000, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).

- (c) Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 at any time more than thirty (30) Calendar Days after the Results Meeting for the Interconnection System Impact Study, the Interconnection Study Deposit shall be non-refundable.
- (d) Upon execution of a GIA by an Interconnection Customer and the Distribution Provider, or the approval by FERC of an unexecuted GIA, the Distribution Provider shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit that exceeds the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).

Notwithstanding the foregoing, an Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall be obligated to pay to the Distribution Provider all costs in excess of the Interconnection Study Deposit that have been prudently incurred or irrevocably have been committed to be incurred with respect to that Interconnection Request prior to withdrawal. The Distribution Provider will reimburse the ISO or

third parties, as applicable, for all work performed on behalf of the withdrawn Interconnection Request at the Distribution Provider's direction. The Interconnection Customer must pay all monies due before it is allowed to obtain any Interconnection Study data or results. Any proceeds of the Interconnection Study Deposit not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed to be incurred for the Interconnection Studies shall be remitted to the ISO and treated in accordance with Section 7.6 of Appendix DD to the ISO Tariff.

5.2.1.2 Use of Site Exclusivity Deposit. The Site Exclusivity Deposit shall be refundable to the Interconnection Customer at any time upon demonstration of Site Exclusivity or the Interconnection Request is withdrawn by the Interconnection Customer or deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11. The refund of the Site Exclusivity Deposit shall include interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii). The Site Exclusivity Deposit shall continue to be required after the Interconnection Customer either executes a GIA or requests the filing of an unexecuted GIA under GIP Section 9.1 if Site Exclusivity has not been demonstrated.

5.3 Validation of Interconnection Request

- 5.3.1 Acknowledgment of Interconnection Request.** Distribution Provider shall notify the Interconnection Customer within ten (10) Business Days of receipt of the Interconnection Request, which notice shall state whether the Interconnection Request is deemed valid.
- 5.3.2 Deficiencies in Interconnection Request.** An Interconnection Request will not be considered to be a valid request until all items in GIP Section 5.2.1 have been received by Distribution Provider and deemed valid by the Distribution Provider. If an Interconnection Request fails to meet the requirements set forth in GIP Section 5.2.1, Distribution Provider shall include in its notification to the Interconnection Customer under GIP Section 5.3.1 the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Distribution Provider the additional requested information needed to constitute a valid request. Whenever the additional requested information is provided by the Interconnection Customer, the Distribution Provider shall notify the Interconnection Customer within five (5) Business Days of receipt of the additional requested information whether the Interconnection Request is valid. If the Interconnection Request

continues to fail to meet the requirements set forth in GIP Section 5.2.1, the Distribution Provider shall include in its notification to the Interconnection Customer the reasons for such failure. If an Interconnection Request has not been deemed valid, the Interconnection Customer must submit all information necessary to meet the requirements of GIP Section 5.2.1 no later than twenty (20) Business Days after the date the original Interconnection Request was submitted, or ten (10) Business Days after the Distribution Provider first provided notice that the Interconnection Request was not valid, whichever is later. Interconnection Requests that have not met the requirements of GIP Section 5.2.1 within twenty (20) Business Days after the date the original Interconnection Request was submitted or ten (10) Business Days after the Distribution Provider first provided notice that the Interconnection Request was not valid, whichever is later, will not be included in the Independent Study Process and will be deemed invalid.

Interconnection Requests deemed invalid under this GIP Section 5.3.2 are not subject to GIP Section 3.11. Interconnection Customers with invalid Interconnection Requests under this GIP Section 5.3.2 may seek relief under GIP Section 11.2 by so notifying the Distribution Provider within two (2) Business Days of the notice of invalidity.

5.4 Criteria for Independent Study Process Eligibility

- (i) Any Interconnection Request that (i) specifies processing under the Independent Study Process, and (ii) passes the Electrical Independence Test as set forth in GIP Section 5.5, will be processed under the Independent Study Process.

5.5 Electrical Independence Test

The Distribution Provider will determine whether an Interconnection Request can be eligible for study under the Independent Study Process by performing the Electrical Independence Test. The Electrical Independence Test for Interconnection Requests proposing to interconnect to the Distribution System will consist of two parts, (1) the ISO's determination of electrical independence for the ISO Grid, and (2) an evaluation by the Distribution Provider of known or reasonably anticipated, in the engineering judgment of the Distribution Provider, relationships to yet-to-be completed Interconnection Studies of earlier-queued Generating Facilities to which the Generating Facility under consideration for the Electrical Independence Test is electrically related. The Interconnection Request must pass the ISO's determination of electrical independence for the ISO Grid, as well as the Distribution Provider's evaluation of electrical independence for the Distribution System, in order to be eligible for the Independent Study Process.

5.5.1 The ISO's Determination of Electrical Independence for the ISO Grid. If the Interconnection Request to the Distribution System is of sufficient MW size to be reasonably anticipated, in the engineering

judgment of the Distribution Provider and in consultation with the ISO, to require or contribute to the need for Network Upgrades, Distribution Provider will request that the ISO, in coordination with the Distribution Provider, conduct the Determination of Electrical Independence for the ISO Grid as set forth in Section 4.2 of Appendix Y of the ISO Tariff for Interconnection Requests received prior to December 1, 2012 or Section 4.2 of Appendix DD of the ISO Tariff for Interconnection Requests received on or after December 1, 2012. If the Interconnection Request does not pass the incremental power flow, aggregate power flow, and short-circuit duty tests included in Section 4.2 of Appendix Y of the ISO Tariff or Section 4.2 of Appendix DD of the ISO Tariff, as applicable, then it fails the evaluation of electrical independence for the ISO Grid.

If Distribution Provider does not reasonably anticipate, in the engineering judgment of the Distribution Provider and in consultation with the ISO, to require or contribute to the need for Network Upgrades, then the Interconnection Request will be deemed to have passed the ISO's Determination of Electrical Independence for the ISO Grid, and will be separately evaluated by Distribution Provider, as set forth in GIP Section 5.5.2.

5.5.2 The Distribution Provider's Evaluation of Electrical Independence for the Distribution System. Distribution Provider will evaluate each Interconnection Request for known or reasonably anticipated, in the engineering judgment of the Distribution Provider, relationships between the Interconnection Request and any earlier-queued Interconnection Requests in the Cluster Study Process, the Independent Study Process, or Interconnection Requests studied under predecessor interconnection procedures that have yet to complete their respective Interconnection System Impact Study or Phase I Interconnection Study. Distribution Provider will use existing Interconnection Studies, Base Case data, overall system knowledge, and engineering judgment to determine whether an Interconnection Request can be studied independently of earlier-queued generation. If the Interconnection Request being evaluated for electrical independence on the Distribution System may be electrically related to earlier-queued Generating Facilities that have yet to complete either Interconnection System Impact Study or Phase I Interconnection Study, then it fails the evaluation of electrical independence for the Distribution System.

5.5.3 Timing of Electrical Independence Test and Deemed Withdrawal Due to Failure of Electrical Independence Test. The Distribution Provider will inform an Interconnection Customer whether it has satisfied the requirements set forth in GIP Section 5.5 within twenty (20) Business Days of deeming the Interconnection Request complete. Any Interconnection Request that does not satisfy the criteria set forth in GIP

Section 5.5 shall be deemed withdrawn, without prejudice of the Interconnection Customer submitting a new Interconnection Request into a later Cluster Application Window.

An Interconnection Request that fails the Electrical Independence Test, including either the ISO's test for independence under GIP Section 5.5.1 or the Distribution Provider's test for independence under GIP Section 5.5.2, will be required to wait twelve (12) months from the date the Interconnection Customer was informed of the failure of the Electrical Independence Test to resubmit an Interconnection Request under the Independent Study Process with a similar Point of Interconnection, unless all of the relevant Interconnection System Impact and/or Phase I Interconnection Studies have been completed for the earlier-queued Generating Facilities that were the cause of the Interconnection Request failing the GIP Section 5.5 test. A similar Point of Interconnection is any Point of Interconnection that would be electrically related to the original Interconnection Request that failed the Electrical Independence Test.

5.5.3.1 Notwithstanding GIP Section 5.5.3, an Interconnection Request subject to GIP Section 5.1.1 will be informed whether it has satisfied the requirements set forth in GIP Section 5.5 within twenty (20) Business Days following the closing of the applicable Cluster Application Window. If the Interconnection Request fails the Electrical Independence Test due solely to projects that are part of the applicable Queue Cluster, the Interconnection Customer will be given a one-time option to temporarily park its Interconnection Request without further action until the Phase I Interconnection Studies have been completed for the applicable Queue Cluster and a second Electrical Independence Test is performed. To be eligible for the one-time option to park, the Interconnection Customer must notify the Distribution Provider of its election to park within ten (10) Business Days of being informed by Distribution Provider of failure of the Electrical Independence Test due solely to projects that are part of the applicable Queue Cluster.

5.6 Impact of a Request for Full Capacity Deliverability Status or Partial Capacity Deliverability Status On The Independent Study Process

Unless specified otherwise in the Interconnection Request, Generating Facilities eligible to be studied under the Independent Study Process will be assumed to have selected Energy-Only Deliverability Status. If an Interconnection Customer requests Full Capacity Deliverability Status or Partial Capacity Deliverability Status in its Interconnection Request for the Independent Study Process, the eligible Generating Facility will initially be studied in the Independent Study Process as Energy-Only Deliverability Status. The Deliverability Assessment for eligible Interconnection Requests in the Independent Study Process that request Full Capacity Deliverability Status or Partial Capacity Deliverability Status will

be performed in conjunction with the next available Cluster Study Process pursuant to GIP Section 4.5.4.2, or as part of the additional Deliverability Assessment options as set forth in GIP Section 4.7.

5.7 Scoping Meeting

Within five (5) Business Days after the Distribution Provider notifies the Interconnection Customer that the Generating Facility associated with its Interconnection Request has satisfied the Electrical Independence Test set forth in GIP Section 5.5, the Distribution Provider shall establish a date agreeable to the Interconnection Customer, and the ISO, if applicable, for the Scoping Meeting.

The purpose of the Scoping Meeting shall be to discuss reasonable Commercial Operation Dates and alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection and eliminate alternatives given resources and available information.

The Distribution Provider will bring to the meeting, as reasonably necessary to accomplish its purpose, such already available technical data, including, but not limited to, (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues.

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

Within five (5) Business Days after the Scoping Meeting, the Distribution Provider shall provide the Interconnection Customer with an Independent Study Process Study Agreement in the form set forth in Appendix 4 to the GIP, which shall contain an outline of the scope of the Interconnection System Impact Study and Interconnection Facilities Study, contain a non-binding good faith estimate of the cost to perform such studies, and shall specify that the Interconnection Customer is responsible for the actual cost of the Interconnection Studies, including reasonable administrative costs. The Interconnection Customer shall execute and deliver to the Distribution Provider the Independent Study Process Study Agreement no later than thirty (30) Calendar Days after the Scoping Meeting, or the Interconnection Request shall be deemed withdrawn.

5.8 Interconnection Studies

The Interconnection Studies shall consist of an Interconnection System Impact Study and an Interconnection Facilities Study. For Interconnection Requests received on and after December 1, 2012, the Interconnection Studies will also include the ISO's Transmission Plan. The analysis of impacts on, and upgrades required to, the ISO Grid will be directed by the ISO pursuant to the terms and conditions of Appendix Y of the ISO Tariff for Interconnection Requests received prior to December 1, 2012 or Appendix DD of the ISO Tariff for Interconnection Requests received on and after December 1, 2012. The Interconnection Studies will identify direct Interconnection Facilities, Distribution Upgrades and required Reliability Network Upgrades necessary to mitigate thermal overloads and voltage violations, and address short circuit, stability, and reliability issues associated with the output of the Generating Facility the requested Interconnection Service. For Generating Facilities with storage which will charge from the Distribution System, the Interconnection Studies will include a non-binding preliminary analysis of the ability of the Distribution System to accommodate the requested Charging Capacity utilizing available capacity on the existing Distribution System and subject to limitations and/or restrictions as may be set forth in the GIA.

All cost estimates for Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Reliability Network Upgrades contained in the Interconnection Studies will be set forth in the Interconnection Study report in present dollar costs as well as time-adjusted dollar costs, adjusted to the estimated year of construction of the components being constructed.

5.8.1 Interconnection System Impact Study.

5.8.1.1 Scope of the Interconnection System Impact Study. The Interconnection System Impact Study will consist of a localized short circuit analysis, a stability analysis, a power flow analysis, and any other studies that are deemed necessary. The localized short circuit analysis will evaluate impacts to the Distribution System only with any local short circuit-duty related Reliability Network Upgrades allocated to the Generating Facility that requires the upgrades. Short circuit duty impacts to the ISO Grid are appropriately evaluated only in the Cluster Study Process as set forth in GIP Section 4. The short circuit duty contribution of any Interconnection Requests studied in the Independent Study Process that are subsequently identified in the Cluster Study Process will be allocated its pro rata share of the short circuit duty-related Reliability Network Upgrades on the basis of the short circuit duty contribution of each Generating Facility.

The Interconnection System Impact Study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to

providing the requested Interconnection Service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the Interconnection.

For Generating Facilities with storage which will charge from the Distribution System, the Interconnection System Impact Study shall include a non-binding preliminary analysis of the ability of the Distribution System to accommodate the requested Charging Capacity utilizing available capacity on the existing Distribution System.

The Interconnection System Impact Study shall provide a list of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Reliability Network Upgrades that are required as a result of the Interconnection Request along with a non-binding good faith estimate of cost responsibility and the amount of construction time required.

5.8.1.2 Timing of the Interconnection System Impact Study Results.

The Distribution Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within ninety (90) Calendar Days after the execution of an Independent Study Process Study Agreement. The Distribution Provider will share applicable study results with the ISO for review and comment and will incorporate comments into the study report. The Distribution Provider will issue a final Interconnection System Impact Study report to the Interconnection Customer.

At any time the Distribution Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Distribution Provider shall notify the Interconnection Customers as to the schedule status of the Interconnection System Impact Study and provide an estimated completion date with an explanation of the reasons why additional time is required.

Upon request, the Distribution Provider shall provide the Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Interconnection System Impact Study, subject to confidentiality arrangements consistent with GIP Section 11.1.

Should the Interconnection Customer provide written comments on the final Interconnection System Impact Study report within ten

(10) Business Days of receipt of the report, but in no event less than three (3) Business Days before the Results Meeting conducted to discuss the report, whichever is sooner, the Distribution Provider will address the written comments in the Interconnection System Impact Study Results Meeting. Should the Interconnection Customer provide comments at any later time (up to the time of the Results Meeting), then such comments shall be considered informal inquiries to which the Distribution Provider will provide informal, informational responses at the Results Meeting, to the extent possible.

The Interconnection Customer may submit, in writing, additional comments on the final Interconnection System Impact Study report up to (3) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received, the Distribution Provider (in consultation with the ISO) will determine, in accordance with GIP Section 5.8.1.3, whether it is necessary to follow the final Interconnection System Impact Study report with a revised study report or an addendum. The Distribution Provider will issue any such revised report or addendum to the Interconnection Customer no later than fifteen (15) Business Days following the Results Meeting.

5.8.1.3 Revisions and Addenda to Final Interconnection Study Reports.

5.8.1.3.1 Substantial Error or Omissions: Revised Study

Report. Should the Distribution Provider discover, through written comments submitted by an Interconnection Customer or otherwise, that a final Interconnection Study report contains a substantial error or omission, the Distribution Provider, in consultation with the ISO, as applicable, will cause a revised final report to be issued to the Interconnection Customer. A substantial error or omission shall mean an error or omission that results in one or more of the following:

- (i) understatement or overstatement of the Interconnection Customer's cost responsibility for Network Upgrades by more than five (5) percent or one million dollars (\$1,000,000), whichever is greater; or
- (ii) results in a delay to the schedule by which the Interconnection Customer can achieve Commercial Operation, based on the results of the final

Interconnection Study, by more than one year.

A dispute over the plan of service by an Interconnection Customer shall not be considered a substantial error or omission unless the Interconnection Customer demonstrates that the plan of service was based on an invalid or erroneous study assumption that meets the criteria set forth above.

5.8.1.3.2 Other Errors or Omissions: Addendum. If an error or omission in an Interconnection Study report is not a substantial error or omission, the Distribution Provider shall not issue a revised final Interconnection Study report, although the error or omission may result in an adjustment of the corresponding Interconnection Financial Security. Rather, the Distribution Provider shall document such error or omission and make any appropriate correction by issuing an addendum to the final report.

The Distribution Provider shall also incorporate, as needed, any corrected information pertinent to the terms or conditions of the GIA in the draft GIA provided to an Interconnection Customer pursuant to GIP Section 5.10.

5.8.1.3.3 Only Substantial Errors or Omissions Adjust Posting Dates. Only substantial errors and omissions related to the Interconnection System Impact Study and Interconnection Facilities Study reports can result in adjustments to Interconnection Financial Security posting due dates. Once the initial and second Interconnection Financial Security posting due dates as described in this section have passed, the error or omission provisions described in this GIP Section 5.8.1.3.3 no longer apply. Unless the error or omission is a substantial error resulting in the issuance of a revised final Interconnection Study report, the correction of an error or omission shall not operate to delay any deadline for posting Interconnection Financial Security set forth in GIP Section 5.9.2. In the case of a substantial error or omission resulting in the issuance of a revised final Interconnection Study report, the deadline for posting Interconnection Financial Security shall be extended as set forth in GIP Section 5.9.2. In addition to issuing a revised final report, the Distribution Provider will promptly notify the Interconnection Customer of any revised posting amount and extended due date occasioned by a substantial

error or omission.

An Interconnection Customer's dispute of a Distribution Provider determination that an error or omission in a final study report does not constitute substantial error shall not operate to change the amount of Interconnection Financial Security that the Interconnection Customer must post or to postpone the applicable deadline for the Interconnection Customer to post Interconnection Financial Security. In case of such a dispute, the Interconnection Customer shall post the amount of Interconnection Financial Security in accordance with GIP Section 5.9.2, subject to refund in the event that the Interconnection Customer prevails in the dispute.

5.8.1.4 Interconnection System Impact Study Results Meeting. If requested by the Interconnection Customer, a Results Meeting shall be held among the Distribution Provider, the ISO, if applicable, and the Interconnection Customer to discuss the results of the Interconnection System Impact Study, including assigned cost responsibility. Any such Results Meeting will be held within twenty (20) Business Days of the date the final Interconnection System Impact Study report is provided to the Interconnection Customer.

5.8.1.5 Initial Posting of Interconnection Financial Security. The Interconnection Customer shall make its initial posting of Interconnection Financial Security in accordance with the requirements of GIP Section 5.9.2, within sixty (60) Calendar Days after being provided with the final Interconnection System Impact Study report, or its Interconnection Request shall be deemed withdrawn. The initial posting of Interconnection Financial Security will be based on the cost responsibility for Network Upgrades, Distribution Upgrades, and Distribution Provider's Interconnection Facilities set forth in the final Interconnection System Impact Study report.

5.8.1.6 Modifications. At any time during the course of the Interconnection Studies, the Interconnection Customer, the Distribution Provider, or the ISO, as applicable, may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to the Distribution Provider, the ISO, as applicable, and Interconnection Customer, such acceptance not to be unreasonably withheld,

Distribution Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes without altering the Interconnection Request's eligibility for participating in Interconnection Studies.

At the Interconnection System Impact Study Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection Request. After the issuance of the final Interconnection System Impact Study report, but no later than five (5) Business Days following the Interconnection System Impact Study Results Meeting, the Interconnection Customer shall submit to Distribution Provider, in writing, modifications to any information provided in the Interconnection Request. The Distribution Provider will forward the Interconnection Customer's request for modification to the ISO, if applicable, within two (2) Business Days of receipt. If no Interconnection System Impact Study Results Meeting is held, the Interconnection Customer shall submit to Distribution Provider any requested modifications within twenty-five (25) Business Days of the receipt of the final Interconnection System Impact Study report.

Modifications permitted under this GIP Section 5.8.1.6 shall include specifically: (a) a decrease in the electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics; (c) modifying the interconnection configuration; and (d) modifying the In-Service Date, Initial Synchronization Date, and/or Commercial Operation Date that meets the criteria set forth in GIP Section 3.9 and is acceptable to the Distribution Provider, such acceptance not to be unreasonably withheld. Changes to the deliverability status are not allowed.

For any modification other than these, the Interconnection Customer must first request that Distribution Provider evaluate whether such modification is a Material Modification as described below. In response to Interconnection Customer's request, Distribution Provider, in coordination with the ISO, if applicable, shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The Distribution Provider may, at its option, engage the services of the ISO to assist in the assessment of the modification. Any change to the Point of Interconnection, except for that specified by the Distribution Provider in an Interconnection Study or otherwise

allowed under this GIP Section 5.8.1.6, shall constitute a Material Modification. Interconnection Customer shall then either:

- (i) withdraw the proposed modification, or
- (ii) withdraw its Interconnection Request and submit a new Interconnection Request reflecting such modification.

For any modifications other than those permitted under this GIP Section 5.8.1.6, the Interconnection Customer shall provide the Distribution Provider a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) Calendar Days from the date the Distribution Provider receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. The Distribution Provider shall coordinate the modification request with the ISO. If the modification assessment cannot be completed within that time period, the Distribution Provider shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. The Interconnection Customer will be responsible for the actual costs incurred by the Distribution Provider and, if applicable, the ISO in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance within thirty (30) Calendar Days of being invoiced. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within thirty (30) Calendar Days of being invoiced.

The Interconnection Customer shall remain eligible to proceed with the Interconnection Facilities Study if the modifications are in accordance with this GIP Section 5.8.1.6.

5.8.2 Interconnection Facilities Study.

5.8.2.1 Scope and Purpose of the Interconnection Facilities Study.

Within (i) five (5) Business Days following the Results Meeting, or (ii) within twenty-five (25) Business Days of the receipt of the final Interconnection System Impact Study report if no Interconnection System Impact Study Results Meeting is held, the

Interconnection Customer shall submit to the Distribution Provider the completed form of Attachment B (“Data Form To Be Provided by the Interconnection Customer Prior to Commencement of the Interconnection Facilities Study”) to its Independent Study Process Study Agreement, a pro forma version of which is Appendix 4 to the GIP.

The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement, and construction work (including overheads) needed to implement the conclusions of the Interconnection System Impact Study technical analyses in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the Distribution System. The Interconnection Facilities Study shall also identify (i) the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Distribution Provider’s Interconnection Facilities, Distribution Upgrades, and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

5.8.2.2 Waiver of the Interconnection Facilities Study. The Interconnection Facilities Study may be waived if the Interconnection System Impact Study does not identify any Distribution Provider’s Interconnection Facilities, Distribution Upgrades, and Network Upgrades and the Distribution Provider and Interconnection Customer mutually agree to the waiver.

5.8.2.3 Timing of the Interconnection Facilities Study. The Interconnection Facilities Study will be completed within ninety (90) Calendar Days after the Interconnection Customer posts its initial Interconnection Financial Security in accordance with GIP Section 5.9.2, where Distribution Upgrades or Network Upgrades are identified. In cases where no Distribution Upgrades and/or Network Upgrades are identified and the required facilities are limited to Distribution Provider’s Interconnection Facilities only, the Interconnection Facilities Study will be completed within sixty (60) Calendar Days after the Interconnection Customer posts its initial Interconnection Financial Security.

The Distribution Provider will share the applicable study results with the ISO for review and comment, and will incorporate comments into the study report. The Distribution Provider will issue a final Interconnection Facilities Study report to Interconnection Customer.

At the request of Interconnection Customer or at any time Distribution Provider determines that it will not meet the required time frame for completing the Interconnection Facilities Study, Distribution Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study and provide an estimated completion date. If the Distribution Provider is unable to complete the Interconnection Facilities Study, such notice shall provide an explanation of the reasons why additional time is required.

Upon request, Distribution Provider shall provide Interconnection Customer all supporting documentation, workpapers, and relevant pre-Interconnection Request and post-Interconnection Request power, short circuit and stability databases for the Interconnection Facilities Study, subject to confidentiality arrangements consistent with GIP Section 11.1.

5.8.2.4 Interconnection Facility Study Results Meeting. If requested by the Interconnection Customer, within ten (10) Business Days of the date of the issuance of the final Interconnection Facilities Study report, a Results Meeting shall be scheduled among the Distribution Provider, the ISO, if applicable, and the Interconnection Customer to discuss the results of the Interconnection Facilities Study, including assigned cost responsibility. Any such Results Meeting will be held within twenty (20) Business Days of the date the final Interconnection Facilities Study report is provided to the Interconnection Customer.

Should the Interconnection Customer provide written comments on the Interconnection Facilities Study report within ten (10) Business Days of receipt of the report, but in no case less than three (3) Business Days before the Results Meeting, whichever is sooner, then the Distribution Provider, ISO, or the Affected System Operator, as applicable, will address the written comments in the Interconnection Facilities Study Results Meeting. Should the Interconnection Customer provide comments at any later time (up to the time of the Results Meeting), then such comments shall be considered informal inquiries to which the Distribution Provider will provide informal, informational responses at the Results Meeting, to the extent possible.

The Interconnection Customer may submit, in writing, additional comments on the Interconnection Facilities Study report up to three (3) Business Days following the Results Meeting. Based on

any discussion at the Results Meeting and any comments received, the Distribution Provider (in consultation with the ISO, as applicable) will determine, in accordance with GIP Section 5.8.1.3, whether it is necessary to follow the Interconnection Facilities Study Report with a revised study report or an addendum to the report. Written comments on the Interconnection Facilities Study report provided by the Interconnection Customer in accordance with this GIP Section 5.8.2.4 will be included as an addendum to the Interconnection Facilities Study report. The Distribution Provider will issue any such revised report or addendum, if required, to the Interconnection Customer, or otherwise respond in writing to the Interconnection Customer's comments, no later than fifteen (15) Business Days following the Results Meeting.

5.8.2.5 Second and Third Postings of Interconnection Financial Security. The Interconnection Customer will post its second posting and third postings of Interconnection Financial Security as set forth in GIP Sections 5.9.3 and 5.9.4, respectively, based on the cost responsibility for Network Upgrades, Distribution Upgrades, and the Distribution Provider's Interconnection Facilities set forth in the Interconnection Facilities Study, or the Interconnection System Impact Study if the Interconnection Facilities Study is waived in accordance with GIP Section 5.8.2.2.

5.8.2.6 Deliverability Assessment. Interconnection Customers that request Full Capacity Deliverability Status or Partial Capacity Deliverability Status in their Interconnection Request will have a Deliverability Assessment performed as part of the next available Cluster Study Process. If the succeeding Deliverability Assessment identifies any Delivery Network Upgrades, including any Local Delivery Network Upgrades and Area Delivery Network Upgrades as applicable depending on the date of the Interconnection Request, that are triggered by the Interconnection Request, the Interconnection Customer will be responsible to pay its proportionate share of the costs of those Delivery Network Upgrades calculated pursuant to GIP Section 4.5.4.2. If the Generating Facility achieves its Commercial Operation Date before the Deliverability Assessment is completed and any necessary Delivery Network Upgrades are yet to be constructed, the Generating Facility will be treated as an Energy-Only Deliverability Status Generating Facility until such time as the Delivery Network Upgrades are constructed and placed into service. If the Interconnection Customer and Distribution Provider have executed a GIA before the Deliverability Assessment is completed and any required Delivery Network Upgrades are subsequently allocated to Interconnection Customer, the GIA will

be amended to include the Interconnection Customer's financial responsibility and posting of Interconnection Financial Security for the Delivery Network Upgrades.

5.8.2.7 Extensions of Commercial Operation Date. Extensions of the Commercial Operation Date for Interconnection Requests under the Independent Study Process will not be granted except in circumstances beyond the control of the Interconnection Customer.

5.8.2.8 Financing of Distribution Provider's Interconnection Facilities, Distribution Upgrades and Reliability Network Upgrades. The responsibility to finance Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Reliability Network Upgrades identified in the Interconnection Facilities Study shall be assigned solely to the Interconnection Request, with the exception of short circuit duty-related Reliability Network Upgrades for the ISO Grid identified in the Cluster Study Process, which will be allocated pro-rata based on the short circuit duty contribution of each Generating Facility requiring the upgrades.

5.8.2.9 Cost Responsibility For Delivery Network Upgrades. The cost responsibility for Delivery Network Upgrades identified in the Deliverability Assessment as part of the Cluster Study Process (for Interconnection Requests seeking Full Capacity Deliverability Status or Partial Capacity Deliverability Status) shall be assigned to the Interconnection Customer in accordance with the Cluster Study Process.

5.9 Interconnection Financial Security

5.9.1 Types of Interconnection Financial Security. The Interconnection Financial Security posted by an Interconnection Customer may be any combination of the following types of Interconnection Financial Security provided in favor of the Distribution Provider:

- (a) an irrevocable and unconditional letter of credit issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;
- (b) an irrevocable and unconditional surety bond issued by an insurance company that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;
- (c) an unconditional and irrevocable guaranty issued by a company has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;

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- (d) a cash deposit standing to the credit of the Distribution Provider and in an interest-bearing escrow account maintained at a bank or financial institution that is reasonably acceptable to the Distribution Provider;
- (e) a certificate of deposit in the name of the Distribution Provider issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's; or
- (f) a payment bond certificate in the name of the Distribution Provider issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's.

Interconnection Financial Security instruments as listed above shall be in such form as the Distribution Provider may reasonably require from time to time by notice to Interconnection Customers, or in such other form as has been evaluated and approved as reasonably acceptable by the Distribution Provider.

The Distribution Provider shall require the use of standardized forms of Interconnection Financial Security to the greatest extent possible. If at any time the guarantor of the Interconnection Financial Security fails to maintain the credit rating required by this GIP Section 5.9.1, the Interconnection Customer shall provide to the Distribution Provider replacement Interconnection Financial Security meeting the requirements of this GIP Section 5.9.1 within five (5) Business Days of the change in credit rating.

Interest on a cash deposit standing to the credit of the Distribution Provider in an interest-bearing escrow account under subpart (d) of this GIP Section 5.9.1 will accrue to the Interconnection Customer's benefit.

5.9.2 Initial Posting of Interconnection Financial Security. On or before sixty (60) Calendar Days after issuance of the final Interconnection System Impact Study report, Interconnection Customer must post, with notice to the Distribution Provider, two separate Interconnection Financial Security instruments: (i) a posting relating to the Reliability Network Upgrades; and (ii) a posting relating to the Distribution Provider's Interconnection Facilities and Distribution Upgrades. If the Distribution Provider revises a final Interconnection System Impact Study report, the initial postings set forth in this GIP Section 5.9.2 will be due from the Interconnection Customer by the later of ninety (90) Calendar Days after issuance of the original final Interconnection System Impact Study report or thirty (30) Calendar Days after issuance of the revised final Interconnection System Impact Study report.

First, the Interconnection Customer proposing to interconnect a Large Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen (15) percent of the total cost responsibility assigned to the Interconnection Customer in the final Interconnection System Impact Study for Reliability Network Upgrades, (ii) \$20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) \$7,500,000.

The Interconnection Customer proposing to interconnect a Small Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Interconnection System Impact Study for Reliability Network Upgrades, or (ii) \$20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request.

Second, the Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of fifteen (15) percent of the total estimated cost responsibility assigned to the Interconnection Customer in the final Interconnection System Impact Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 5.9.2 shall result in the Interconnection Request being deemed withdrawn and subject to GIP Section 3.11.

The Interconnection Customer shall provide the Distribution Provider with written notice that it has posted the required Interconnection Financial Security no later than the applicable final day for posting.

5.9.3 Second Posting of Interconnection Financial Security. On or before one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), the Interconnection Customer shall post two separate Interconnection Financial Security instruments. If the Distribution Provider revises a final Interconnection Facilities Study report, the postings set forth in this GIP Section 5.9.3 will be due from the Interconnection Customer by the later

of one hundred-twenty (120) Calendar Days after issuance of the original final Interconnection Facilities Study report or thirty (30) Calendar Days from the issuance of the revised final Interconnection Facilities Study Report.

First, the Interconnection Customer proposing to interconnect a Large Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Reliability Network Upgrades equals the lesser of (i) \$15 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Interconnection System Impact Study or final Interconnection Facilities Study, whichever is lower.

The Interconnection Customer proposing to interconnect a Small Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Reliability Network Upgrades equals the lesser of (i) \$1 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Interconnection System Impact Study or final Interconnection Facilities Study, whichever is lower.

Second, the Interconnection Customer shall also post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades equals thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer in the final Interconnection Facilities Study, or final Interconnection System Impact Study if the Interconnection Facilities Study is waived, for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

If the start date for Construction Activities of Network Upgrades, Distribution Provider's Interconnection Facilities and Distribution Upgrades on behalf of the Interconnection Customer is prior to one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), that start date must be set forth in the Interconnection Customer's GIA and the Interconnection Customer shall make its second posting of Interconnection Financial Security pursuant to GIP Section 5.9.4 rather than GIP Section 5.9.3.

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 5.9.3 shall

result in the Interconnection Request being deemed withdrawn and subject to GIP Section 3.11 or, if applicable, shall constitute grounds for termination of the GIA pursuant to GIA Article 2.3.

5.9.4 Third Posting of Interconnection Financial Security. On or before the start of Construction Activities for Network Upgrades or Distribution Provider's Interconnection Facilities or Distribution Upgrades on behalf of the Interconnection Customer, whichever is earlier, the Interconnection Customer shall modify the two separate Interconnection Financial Security instruments posted pursuant to GIP Section 5.9.3 as follows.

With respect to the Interconnection Financial Security instrument for Reliability Network Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades in the final Interconnection Facilities Study, or the final Interconnection System Impact Study if the Interconnection Facilities Study is waived.

With respect to the Interconnection Financial Security instrument for Distribution Provider's Interconnection Facilities and Distribution Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades in the final Interconnection Facilities Study, or the final Interconnection System Impact Study if the Interconnection Facilities Study is waived.

The Interconnection Financial Security posting requirements for Delivery Network Upgrades shall be made pursuant to GIP Section 4.8.

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 5.9.4 shall constitute grounds for termination of the GIA pursuant to GIA Article 2.3.

5.9.5 General Effect of Withdrawal of Interconnection Request or Termination of the GIA on Interconnection Financial Security.

Except as set forth in GIP Section 5.9.5.1, withdrawal of an Interconnection Request or termination of a GIA shall allow the Distribution Provider to liquidate the Interconnection Financial Security, or balance thereof, posted by the Interconnection Customer for Network Upgrades at the time of withdrawal. To the extent the amount of the liquidated Interconnection Financial Security plus capital, if any, separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades in accordance with GIP Section 10.3 exceeds the total cost responsibility for Network Upgrades assigned

to the Interconnection Customer by the final Interconnection Facilities Study, or the final Interconnection System Impact Study if the Interconnection Facilities Study is waived, the Distribution Provider shall remit to the Interconnection Customer the excess amount.

Withdrawal of an Interconnection Request or termination of a GIA shall result in the release to the Interconnection Customer of any Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer for the Distribution Provider's Interconnection Facilities and Distribution Upgrades and for which the Distribution Provider has not been reimbursed.

5.9.5.1 Conditions for Partial Recovery of Interconnection Financial Security Upon Withdrawal of Interconnection Request or Termination of GIA. A portion of the Interconnection Financial Security shall be released to the Interconnection Customer, consistent with GIP Section 5.9.5.2, if the withdrawal of the Interconnection Request or termination of the GIA occurs for any of the following reasons:

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

Interconnection Customers that attested on the TP Deliverability allocation affidavit under Section 8.9.2, part (2), subpart (a) of Appendix DD to the ISO Tariff are ineligible to claim this condition for partial recovery of Interconnection Financial Security.

- (b) **Failure to Secure a Necessary Permit.** At the time of withdrawal of the Interconnection Request or termination of the GIA, the Interconnection Customer demonstrates to the Distribution Provider that it has received a final denial from the primary issuing Governmental Authority of any

permit or other authorization necessary for the construction or operation of the Generating Facility.

- (c) **Increase in the Cost of Distribution Provider's Interconnection Facilities or Distribution Upgrades.**
The Interconnection Customer withdraws the Interconnection Request or terminates the GIA based on an increase of: (i) more than 30% or \$300,000, whichever is greater, in the estimated cost of Distribution Provider's Interconnection Facilities; or (ii) more than 30% or \$300,000, whichever is greater, in the estimated cost of Distribution Upgrades allocated to the Interconnection Customer from the Interconnection System Impact Study to the Interconnection Facilities Study. This GIP Section 5.9.5.1 (c) shall not apply if the cause of the cost increase under (i) or (ii) above is the result of a change requested by the Interconnection Customer pursuant to Section 5.8.1.6 of this GIP.
- (d) **Material Change in Interconnection Customer's Interconnection Facilities Created by the Distribution Provider's Change in the Point of Interconnection.** The Interconnection Customer withdraws the Interconnection Request or terminates the GIA based on a material change from the Interconnection System Impact Study in the Point of Interconnection for the Generating Facility mandated by the Distribution Provider and included in the final Interconnection Facilities Study. A material change in the Point of Interconnection shall be where the Point of Interconnection has moved to (i) a different substation, (ii) a different line on a different right of way, or (iii) a materially different location than previously identified on the same line.

5.9.5.2 Determining Refundable Portion of the Interconnection Financial Security for Network Upgrades.

- 5.9.5.2.1 Withdrawal Between the First Posting and the Deadline for the Second Posting.** If the Interconnection Customer either withdraws its Interconnection Request or terminates its GIA under any of the applicable conditions (a)-(d) of GIP Section 5.9.5.1 and at any time between the initial posting and the deadline for the second posting of the Interconnection Financial Security for applicable Network Upgrades, the Distribution Provider shall liquidate the Interconnection Financial Security for the

applicable Network Upgrades under GIP Section 5.9.2 and reimburse the Interconnection Customer the lesser of: (a) the Interconnection Financial Security plus any other provided security plus any separately provided capital less all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, or (b) the Interconnection Financial Security plus any other provided security plus any separately provided capital minus the lesser of (i) fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or (ii) \$10,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal.

5.9.5.2.2 Withdrawal Between the Second Posting and the Commencement of Construction Activities. If the Interconnection Customer either withdraws its Interconnection Request or terminates its GIA under any of the applicable conditions (a)-(d) of GIP Section 5.9.5.1 and at any time between the second posting of the Interconnection Financial Security for applicable Network Upgrades and the commencement of Construction Activities for such Network Upgrades, then the Distribution Provider shall liquidate the Interconnection Financial Security for the applicable Network Upgrades under GIP Section 5.9.3 and reimburse the Interconnection Customer the lesser of (a) the Interconnection Financial Security plus any other provided security plus any separately provided capital less all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, or (b) the Interconnection Financial Security plus any other provided security plus any separately provided capital minus the lesser of (i) fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or (ii) \$20,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal.

5.9.5.2.3 Special Treatment Based on Failure to Obtain Necessary Permit or Authorization from Governmental Authority. If, at any time after the second posting requirement under GIP Section 5.9.3, the Interconnection Customer withdraws the Interconnection

Request or terminates the GIA, as applicable, in accordance with GIP Section 5.9.5.1 (b), and the Delivery Network Upgrades to be financed by the Interconnection Customer are also to be financed by one or more other Interconnection Customers, then GIP Section 5.9.5.2.1 shall apply, except that the Interconnection Customer shall not be reimbursed for its share of any actual costs incurred or irrevocably committed by the Distribution Provider for Construction Activities.

5.9.5.2.4 After Commencement of Construction Activities.

Except as otherwise provided in GIP Section 5.9.5.2.3, once Construction Activities on Network Upgrades on behalf of the Interconnection Customer commence, any withdrawal of the Interconnection Request or termination of the GIA by the Interconnection Customer will be treated as follows: The Distribution Provider shall liquidate the Interconnection Financial Security, or balance thereof, posted by the Interconnection Customer for Network Upgrades at the time of withdrawal. To the extent the amount of the liquidated Interconnection Financial Security plus capital, if any, separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer, the Distribution Provider shall remit to the Interconnection Customer the excess amount. Withdrawal of an Interconnection Request or termination of a GIA shall result in the release to the Interconnection Customer of any Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer for the Distribution Provider's Interconnection Facilities or Distribution Upgrades and for which the Distribution Provider has not been reimbursed in accordance with this section.

5.9.5.2.5 Notification to ISO and Accounting by Distribution Provider. The Distribution Provider will notify the ISO within three (3) Business Days of liquidating any Interconnection Financial Security. Within thirty (30) Calendar Days of any liquidating event, the Distribution Provider will provide the ISO and Interconnection

Customer with an accounting of the disposition of the proceeds of the liquidated Interconnection Financial Security and remit to the ISO all proceeds not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer in accordance with this GIP Section 5.9.5. All non-refundable portions of the Interconnection Financial Security remitted to the ISO in accordance with this GIP Section 5.9.5 shall be treated in accordance with Section 7.6 of Appendix DD to the ISO Tariff.

5.9.6 Maximum Cost Responsibility for Interconnection Customers. The maximum value for the Interconnection Customer's Interconnection Financial Security for Reliability Network Upgrades shall be established by the lesser of the costs for Reliability Network Upgrades assigned to the Interconnection Customer in the final Interconnection System Impact Study report or final Interconnection Facilities Study report.

5.10 Generator Interconnection Agreement (GIA)

5.10.1 Tender. Within thirty (30) Calendar Days after (i) the Results Meeting for the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), or (ii) the Distribution Provider provides the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived) to the Interconnection Customer if a Results Meeting is not held, the Distribution Provider shall tender a draft GIA, together with draft appendices. The draft GIA shall be in the form of Distribution Provider's FERC-approved form GIA, which is in Appendix 6 to the GIP. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices within thirty (30) Calendar Days.

5.10.2 Negotiation. Notwithstanding GIP Section 5.10.1, at the request of Interconnection Customer Distribution Provider shall begin negotiations with Interconnection Customer concerning the appendices to the GIA at any time after the Distribution Provider provides the Interconnection Customer with the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived). Distribution Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than one hundred twenty (120) Calendar Days after the Distribution Provider provides the Interconnection Customer with the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection

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Facilities Study is waived). If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft GIA pursuant to GIP Section 5.10.1 and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to GIP Section 11.2. If Interconnection Customer requests termination of the negotiations, but within one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), fails to request either the filing of the unexecuted GIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to GIP Section 11.2 within one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), it shall be deemed to have withdrawn its Interconnection Request. Distribution Provider shall provide to Interconnection Customer a final GIA within fifteen (15) Business Days after the completion of the negotiation process.

The Distribution Provider may declare an impasse upon one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), or at anytime following one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived) if the Parties have agreed to extend negotiation of the GIA. If the Distribution Provider declares an impasse, the Distribution Provider will file the GIA unexecuted with FERC within twenty one (21) Calendar Days.

Anytime after the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived) is issued, if the Interconnection Customer's In-Service Date is not achievable based on the estimated time (i) to negotiate the GIA, and (ii) to construct the longest lead Network Upgrade, Interconnection Facility, or Distribution Upgrade as set forth in the Interconnection Study reports, the Interconnection Request shall be deemed withdrawn pursuant to GIP Section 3.11.

Execution of the GIA and the filing of the GIA at FERC are addressed in GIP Section 9.

Section 6. Fast Track Process**6.1 Eligibility and Timing For Submitting Interconnection Requests****6.1.1 Eligibility**

The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Generating Facility with the Distribution Provider's Distribution System if the Generating Facility's capacity does not exceed the size limits identified in the table below in this GIP Section 6.1.1. Generating Facilities below these limits are eligible for Fast Track review. However, Fast Track eligibility is distinct from the Fast Track Process itself, and eligibility does not imply or indicate that a Generating Facility will pass the Fast Track screens in GIP Section 6.5 below or the Supplemental Review screens in GIP Section 6.11 below.

Fast Track eligibility is determined based upon the generator type, the size of the generator, voltage of the line and the location of and the type of line at the Point of Interconnection. All Generating Facilities connecting to lines greater than 69 kilovolt (kV) are ineligible for the Fast Track Process regardless of size. All synchronous and induction machines must be no larger than 2 MW to be eligible for the Fast Track Process, regardless of location. For certified inverter-based systems, the size limit varies according to the voltage of the line at the proposed Point of Interconnection. Certified inverter-based Generating Facilities located within 2.5 electrical circuit miles of a substation and on a mainline (as defined in the table below in this GIP Section 6.1.1) are eligible for the Fast Track Process under the higher thresholds according to the table below. In addition to the size threshold, the Interconnection Customer's proposed Generating Facility must meet the codes, standards, and certification requirements of GIP Appendices 8 and 9 of these procedures, or the Distribution Provider has to have reviewed the design or tested the proposed Generating Facility and is satisfied that it is safe to operate.

Fast Track Eligibility for Inverter-Based Systems		
Line Voltage	Fast Track Eligibility Regardless of Location	Fast Track Eligibility on a Mainline ¹ and ≤ 2.5 Electrical Circuit Miles from Substation ²
< 5 kV	≤ 500 kW	≤ 500 kW
≥ 5 kV and < 15 kV	≤ 2 MW	≤ 3 MW

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≥ 15 kV and < 30 kV	≤ 3 MW	≤ 4 MW
≥ 30 kV and ≤ 69 kV	≤ 4 MW	≤ 5 MW

¹For purposes of this table, a mainline is the three-phase backbone of a circuit. It will typically constitute lines with wire sizes of 4/0 American wire gauge, 336.4 kcmil, 397.5 kcmil, 477 kcmil and 795 kcmil.

²An Interconnection Customer can determine this information about its proposed interconnection location in advance by requesting a pre-application report pursuant to GIP Section 3.1.

6.1.2 Timing For Submitting Interconnection Requests

An Interconnection Customer may submit an Interconnection Request for processing under the Fast Track Process at any time during the year.

6.2 Interconnection Request

The Interconnection Customer shall submit its Interconnection Request to the Distribution Provider, together with a non-refundable processing fee of \$500 and a non-refundable study deposit of \$1,000. Interconnection Customers requesting interconnection under the Fast Track Process may only select Energy-Only Deliverability Status. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and time-stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by the Distribution Provider within three (3) Business Days of receiving the Interconnection Request. The Distribution Provider shall notify the Interconnection Customer within ten (10) Business Days of the receipt of the Interconnection Request as to whether the Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, the Distribution Provider shall provide along with the notice that the Interconnection Request is incomplete, a written list detailing all information that must be provided to complete the Interconnection Request. The Interconnection Customer will have ten (10) Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If the Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to the Distribution Provider.

6.3 Site Exclusivity

Documentation of Site Exclusivity must be submitted with the Interconnection Request.

6.4 Initial Review

Within fifteen (15) Business Days after the Distribution Provider notifies the Interconnection Customer it has received a complete Interconnection Request, and qualifies for evaluation under the Fast Track Process, the Distribution Provider shall perform an initial review using the screens set forth below, shall notify the Interconnection Customer of the results, and include with the notification copies of the analysis and data underlying the Distribution Provider's determinations under the screens.

6.5 Screens

- 6.5.1** The proposed Generating Facility's Point of Interconnection must be on a portion of the Distribution Provider's Distribution System that is subject to the Tariff.
- 6.5.2** For interconnection of a proposed Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Generating Facility, on the circuit shall not exceed 15 % of the line section annual peak load as most recently measured at the substation. A line section is that portion of a Distribution Provider's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.
- 6.5.3** For interconnection of a proposed Generating Facility to the load side of spot network protectors, the proposed Generating Facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 5 % of a spot network's maximum load or 50 kW. For purposes of this GIP Section 6.5.3, a spot network is a type of distribution system found within modern commercial buildings to provide high reliability of service to a single customer (Standard Handbook for Electrical Engineers, 11th edition, Donald Fink, McGraw Hill Book Company).
- 6.5.4** The proposed Generating Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than 10 % to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.
- 6.5.5** The proposed Generating Facility, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed 87.5 % of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 % of the short circuit interrupting capability.

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- 6.5.6** Using the table below, determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnecting Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on the Distribution Provider's electric power system due to a loss of ground during the operating time of any anti-islanding function.

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Result/Criteria
Three-phase, three wire	3-phase or single phase, phase-to-phase	Pass screen
Three-phase, four wire	Effectively-grounded 3 phase or Single-phase, line-to-neutral	Pass screen

- 6.5.7** If the proposed Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Generating Facility, shall not exceed 20 kW.
- 6.5.8** If the proposed Generating Facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20 % of the nameplate rating of the service transformer.
- 6.5.9** The Generating Facility, in aggregate with other generation interconnected to the transmission side of a substation transformer feeding the circuit where the Generating Facility proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (e.g., three or four transmission busses from the Point of Interconnection).
- 6.5.10** No construction by the Distribution Provider of Network Upgrades on the ISO Grid or Distribution Upgrades on the Distribution System other than those upgrades solely attributable to the Generating Facility shall be required to accommodate the Generating Facility.
- 6.5.11** When the Generating Facility includes storage, the storage device(s) will not be charged from the Distribution System. The Generating Facility must include control limiting devices or other measures as approved by the Distribution Provider to ensure the storage device(s) will not charge from the Distribution System.

- 6.6** If the proposed interconnection passes the screens and does not trigger the need for the installation of new equipment or modification of existing equipment, the Interconnection Request shall be approved and the Distribution Provider will provide the Interconnection Customer a draft GIA within fifteen (15) Business Days after the determination.

If the proposed interconnection passes the screens and triggers the need for the installation of new equipment or modification of existing equipment, within fifteen (15) Business Days after the determination, the Distribution provider will provide the Interconnection Customer the scope, cost and time to complete the modifications required to interconnect the proposed Generating Facility. The Distribution Provider will provide the Interconnection Customer a draft GIA within fifteen (15) Business Days from the time the Distribution Provider provides the scope, cost and time to complete the required system modifications.

Interconnection Customer retains financial responsibility for any Interconnection Facilities, Distribution Upgrades, or Network Upgrades determined by subsequent engineering or study work, such as final engineering and design work, or other future operational or other technical study, such as to identify and determine the cost of any Distribution Provider's Interconnection Facilities required by the Generating Facility, or of short circuit duty-related Reliability Network Upgrades as assigned to the Interconnection Request during the Cluster Study Process as set forth in GIP Section 4, that are attributable to the Interconnection Request. If future engineering or other study work determines that the Interconnection Customer is financially responsible for Interconnection Facilities, Distribution Upgrades, or Network Upgrades identified in these future studies, the GIA will be amended to assign the Interconnection Customer financial responsibility for such facilities and upgrades.

- 6.7** If the proposed interconnection fails the screens, but the Distribution Provider determines that the Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards, the Distribution Provider shall provide the Interconnection Customer a draft GIA within fifteen (15) Business Days after the determination.

Interconnection Customer retains financial responsibility for any Interconnection Facilities, Distribution Upgrades, or Network Upgrades determined by subsequent engineering or study work, such as final engineering and design work, or other future operational or other technical study, such as to identify and determine the cost of any Distribution Provider's Interconnection Facilities required by the Generating Facility, or of short circuit duty-related Reliability Network Upgrades as assigned to the Interconnection Request during the Cluster Study Process as set forth in GIP Section 4, that are attributable to the Interconnection Request. If future engineering or other study work determines that the Interconnection

Customer is financially responsible for Interconnection Facilities, Distribution Upgrades, or Network Upgrades identified in these future studies, the GIA will be amended to assign the Interconnection Customer financial responsibility for such facilities and upgrades.

- 6.8** If the proposed interconnection fails the screens, and the Distribution Provider does not or cannot determine from the initial review that the Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless the Interconnection Customer is willing to consider minor modifications or further study, the Distribution Provider shall provide the Interconnection Customer with the opportunity to attend a customer options meeting.

6.9 Customer Options Meeting

If the Distribution Provider determines the Interconnection Request cannot be approved without (1) minor modifications at minimal cost, (2) a supplemental study or other additional studies or actions, or (3) incurring significant cost to address safety, reliability, or power quality problems, the Distribution Provider shall notify the Interconnection Customer of that determination within five (5) Business Days after the determination and provide copies of all data and analyses underlying its conclusion. Within ten (10) Business Days of the Distribution Provider's determination, the Distribution Provider shall offer to convene a customer options meeting with the Distribution Provider to review possible Interconnection Customer facility modifications or the screen analysis and related results, to determine what further steps are needed to permit the Generating Facility to be connected safely and reliably. At the time of notification of the Distribution Provider's determination, or at the customer options meeting, the Distribution Provider shall:

- 6.9.1** Offer to perform facility modifications or minor modifications to the Distribution Provider's electric system (e.g., changing meters, fuses, relay settings) and discuss the potential for, and the Interconnection Customer's willingness to consider, modifications to the Interconnection Customer's proposed facilities that may permit the Generating Facility to be interconnected consistent with safety, reliability, and power quality standards. If the Interconnection Customer and Distribution Provider agree upon such modifications to the Interconnection Customer's proposed facilities, within fifteen (15) Business Days of such agreement, the Distribution provider will provide a non-binding good faith estimate of the scope, cost and time to complete any required modifications to the Distribution Provider's electric system. If the Interconnection Customer agrees to pay for the modifications to the Distribution Provider's electric system, the Distribution Provider will provide the Interconnection Customer with a draft GIA within fifteen (15) Business Days of the time the Distribution Provider provides the scope, cost and time to complete the required system modifications; or

- 6.9.2** Offer to perform a supplemental review in accordance with GIP Section 6.10 and provide a non-binding good faith estimate of the costs of such review; or
- 6.9.3** Offer to continue to evaluate the Interconnection Request under the Independent Study Process without loss of queue position except under the conditions set forth in GIP Section 5.1.1, in which case the Interconnection Customer must submit the Interconnection Study Deposit set forth in GIP Section 5.2.1 to the Distribution Provider within fifteen (15) Business Days of the offer or the Interconnection Request shall be deemed withdrawn.

6.10 Supplemental Review

- 6.10.1** To accept the offer of a supplemental review, the Interconnection Customer shall agree in writing and submit a deposit for the estimated costs of the supplemental review in the amount of the Distribution Provider's good faith estimate of the costs of such review, both within fifteen (15) Business Days of the offer. If the written agreement and deposit have not been received by the Distribution Provider within that timeframe, the Interconnection Request shall be deemed withdrawn.
- 6.10.2** The Interconnection Customer may specify the order in which the Distribution Provider will complete the screens, and the preliminary charging analysis, if applicable, in GIP Section 6.11.
- 6.10.3** The Interconnection Customer shall be responsible for the Distribution Provider's actual costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within twenty (20) Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the Distribution Provider will return such excess within twenty (20) Business Days of the invoice without interest.
- 6.11** For Generating Facilities subject to supplemental review which pass the storage screen set forth in GIP Section 6.5.11, Wwithin thirty (30) Business Days following receipt of the deposit for a supplemental review, the Distribution Provider shall (1) perform a supplemental review using the screens set forth in GIP Sections 6.11.1, 6.11.2 and 6.11.3 below; (2) notify in writing the Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying the Distribution Provider's determinations under the screens.

For Generating Facilities subject to supplemental review which fail the storage screen set forth in GIP Section 6.5.11, and one or more of the other initial review

screens set forth in GIP Section 6.5, within sixty (60) Business Days following receipt of the deposit for a supplemental review, the Distribution Provider shall (1) perform a supplemental review using the screens set forth in GIP Sections 6.11.1, 6.11.2 and 6.11.3 below, (2) perform the preliminary storage charging analysis set forth in GIP Section 6.11.4 below; (3) notify in writing the Interconnection Customer of the results; and (4) include with the notification copies of the analysis and data underlying the Distribution Provider's determinations under the screens and preliminary charging analysis.

For Generating Facilities subject to supplemental review which fail the storage screen set forth in GIP Section 6.5.11, and pass all of the other initial review screens set forth in GIP Section 6.5, within forty-five (45) Business Days following receipt of the deposit for a supplemental review, the Distribution Provider shall (1) perform the preliminary storage charging analysis set forth in GIP Section 6.11.4 below; (2) notify in writing the Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying the Distribution Provider's determinations under preliminary storage charging analysis.

—Unless the Interconnection Customer provided instructions for how to respond to the failure of any of the supplemental review screens set forth in GIP Sections 6.11.1, 6.11.2 and 6.11.3 below at the time the Interconnection Customer accepted the offer of supplemental review, the Distribution Provider shall notify the Interconnection Customer following the failure of any of the screens, or if it is unable to perform the screen in GIP Section 6.11.1, within two (2) Business Days of making such determination to obtain the Interconnection Customer's permission to: (1) continue evaluating the proposed interconnection under this GIP Section 6.11; (2) terminate the supplemental review and continue evaluating the Generating Facility under the Independent Study Process subject to the conditions set forth in GIP Section 5.1.1, provided the Interconnection Customer submits the Interconnection Study Deposit set forth in Section 5.2.1 to the Distribution Provider within fifteen (15) Business Days after the date of notification; or (3) terminate the supplemental review upon withdrawal of the Interconnection Request by the Interconnection Customer. If the Interconnection Customer does not provide its permission under any of these three options within five (5) Business Days after the Distribution Provider's request for such permission, the Interconnection Request shall be deemed withdrawn.

6.11.1 Minimum Load Screen: Where 12 months of line section minimum load data (including onsite load but not station service load served by the proposed Generating Facility) are available, can be calculated, can be estimated from existing data, or determined from a power flow model, the aggregate Generating Facility capacity on the line section is less than 100% of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed Generating Facility. If minimum load data is not available, or cannot be calculated, estimated or

determined, the Distribution Provider shall include the reason(s) that it is unable to calculate, estimate or determine minimum load in its supplemental review results notification under GIP Section 6.11.

6.11.1.1 The type of generation used by the proposed Generating Facility will be taken into account when calculating, estimating, or determining circuit or line section minimum load relevant for the application of the screen described in GIP Section 6.11.1. Solar photovoltaic (PV) generation systems with no battery storage use daytime minimum load (i.e. 10 a.m. to 4 p.m. for fixed panel systems and 8 a.m. to 6 p.m. for PV systems utilizing tracking systems), while all other generation uses absolute minimum load.

6.11.1.2 When this screen is being applied to a Generating Facility that serves some station service load, only the net injection into the Distribution Provider's electric system will be considered as part of the aggregate generation.

6.11.1.3 Distribution Provider will not consider as part of the aggregate generation for purposes of this screen generating facility capacity known to be already reflected in the minimum load data.

6.11.2 Voltage and Power Quality Screen: In aggregate with existing generation on the line section: (1) the voltage regulation on the line section can be maintained in compliance with relevant requirements under all system conditions; (2) the voltage fluctuation is within acceptable limits as defined by Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or utility practice similar to IEEE Standard 1453; and (3) the harmonic levels meet IEEE Standard 519 limits.

6.11.3 Safety and Reliability Screen: The location of the proposed Generating Facility and the aggregate generation capacity on the line section do not create impacts to safety or reliability that cannot be adequately addressed without application of a study process. The Distribution Provider shall give due consideration to the following and other factors in determining potential impacts to safety and reliability in applying this screen.

6.11.3.1 Whether the line section has significant minimum loading levels dominated by a small number of customers (e.g., several large commercial customers).

6.11.3.2 Whether the loading along the line section is uniform or even.

6.11.3.3 Whether the proposed Generating Facility is located in close proximity to the substation (i.e., less than 2.5 electrical circuit miles), and whether the line section from the substation to the

Point of Interconnection is a Mainline rated for normal and emergency ampacity.

6.11.3.4 Whether the proposed Generating Facility incorporates a time delay function to prevent reconnection of the generator to the system until system voltage and frequency are within normal limits for a prescribed time.

6.11.3.5 Whether operational flexibility is reduced by the proposed Generating Facility, such that transfer of the line section(s) of the Generating Facility to a neighboring distribution circuit/substation may trigger overloads or voltage issues.

6.11.3.6 Whether the proposed Generating Facility employs equipment or systems certified by a recognized standards organization to address technical issues such as, but not limited to, islanding, reverse power flow, or voltage quality.

6.11.4 Preliminary Storage Charging Analysis: For Generating Facilities with storage which fail the initial review screen set forth in GIP Section 6.5.11, the Distribution Provider will perform a non-binding preliminary analysis of the ability of the Distribution System to accommodate the requested Charging Capacity utilizing available capacity on the existing Distribution System subject to limitations and/or restrictions as may be set forth in the GIA.

6.11.54 If the proposed interconnection passes the supplemental screens in GIP Sections 6.11.1, 6.11.2, and 6.11.3 above, the Interconnection Request shall be approved and the Distribution Provider will provide the Interconnection Customer with an executable interconnection agreement within the timeframes established in GIP Sections 6.11.54.1 and 6.11.54.2 below. If the proposed interconnection fails any of the supplemental review screens and the Interconnection Customer does not withdraw its Interconnection Request, it shall continue to be evaluated under the Independent Study Process consistent with GIP Section 6.11.54.3 below.

6.11.54.1 If the proposed interconnection passes the supplemental screens in GIP Sections 6.11.1, 6.11.2 and 6.11.3 above and does not require construction of facilities by the Distribution Provider on its own system, the GIA shall be provided within fifteen (15) Business Days after the notification of the supplemental review results.

6.11.54.2 If interconnection facilities or minor modifications to the Distribution Provider's system are required for the proposed interconnection to pass the supplemental screens in GIP Sections

6.11.1, 6.11.2 and 6.11.3 above, and the Interconnection Customer agrees to pay for the modifications to the Distribution Provider's electric system, a non-binding good faith estimate for the interconnection facilities and/or minor modifications, shall be provided to the Interconnection Customer within fifteen (15) Business Days following such determination. The Distribution Provider will provide the Interconnection Customer a draft GIA within fifteen (15) Business Days after the Distribution Provider provides the scope, cost and time to complete the required system modifications.

6.11.54.3 If the proposed interconnection would require more than interconnection facilities or minor modifications to the Distribution Provider's system to pass the supplemental screens in GIP Sections 6.11.1, 6.11.2, and 6.11.3 above, the Distribution Provider shall notify the Interconnection Customer, at the same time it notifies the Interconnection Customer with the supplemental review results, that the Interconnection Request shall be evaluated under the Independent Study Process subject to the conditions set forth in GIP Section 5.1.1, provided the Interconnection Customer submits the Interconnection Study Deposit set forth in Section 5.2.1 to the Distribution Provider within fifteen (15) Business Days after the date of notification, unless the Interconnection Customer withdraws its Interconnection Request.

6.11.65 Notwithstanding modifications made pursuant to the supplemental review, Interconnection Customer retains financial responsibility for any Interconnection Facilities, Distribution Upgrades, or Network Upgrades determined by subsequent engineering or study work, such as final engineering and design work, or other future operational or other technical study, such as to identify and determine the cost of any Distribution Provider's Interconnection Facilities required by the Generating Facility, or of short circuit duty-related Reliability Network Upgrades as assigned to the Interconnection Request during the Cluster Study Process as set forth in GIP Section 4, that are attributable to the Interconnection Request. If future engineering or other study work determines that the Interconnection Customer is financially responsible for Interconnection Facilities, Distribution Upgrades, or Network Upgrades identified in these future studies, the GIA will be amended to assign the Interconnection Customer financial responsibility for such facilities and upgrades.

6.12 Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Generating Facility not agreed to in writing by the Distribution Provider and the Interconnection Customer may be deemed a

withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.

6.13 Generator Interconnection Agreement

6.13.1 Tender. The draft GIA shall be in the form of Distribution Provider's FERC-approved form GIA, which is in Appendix 7 to the GIP. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices within thirty (30) Calendar Days.

6.13.2 Negotiation. Distribution Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than ninety (90) Calendar Days after the Distribution Provider tenders the draft GIA to the Interconnection Customer. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft GIA pursuant to GIP Section 6.13.1 and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to GIP Section 11.2. If Interconnection Customer requests termination of the negotiations, but within ninety (90) Calendar Days after the Distribution Provider tenders the draft GIA to the Interconnection Customer, fails to request either the filing of the unexecuted GIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to GIP Section 11.2 within ninety (90) Calendar Days after the Distribution Provider tenders the draft GIA to the Interconnection Customer, it shall be deemed to have withdrawn its Interconnection Request. Distribution Provider shall provide to Interconnection Customer a final GIA within fifteen (15) Business Days after the completion of the negotiation process.

Execution of the GIA and the filing of the GIA at FERC are addressed in GIP Section 9 of the GIP.

Section 7. Under 10 kW Inverter Process

7.1 Applicability of Under 10 kW Inverter Process

The Under 10 kW Inverter Process is available to an Interconnection Customer proposing to interconnect its Generating Facility with the Distribution Provider's Distribution System if the Generating Facility is a certified inverter-based Generating Facility no larger than 10 kW. The form of Interconnection Request and the process for evaluating a request to interconnect such a Generating Facility are set forth in Appendix 10 to the GIP.

7.2 Timing For Submitting Interconnection Requests

An Interconnection Customer may submit an Interconnection Request for processing under the Under 10 kW Inverter Process at any time during the year.

Section 8. Engineering & Procurement ('E&P') Agreement

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

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

Section 9. Generator Interconnection Agreement

9.1 Execution and Filing

Interconnection Customer shall either: (i) execute two originals of the tendered GIA and return them to Distribution Provider; or (ii) request in writing that Distribution Provider file with FERC a GIA in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of the tendered GIA (if it does not conform with a FERC-approved standard form of interconnection agreement) or the request to file an unexecuted GIA, Distribution Provider shall file the GIA with FERC, together with its explanation of any matters as to which Interconnection Customer and Distribution Provider disagree and support for the costs that Distribution Provider

proposes to charge to Interconnection Customer under the GIA. An unexecuted GIA should contain terms and conditions deemed appropriate by Distribution Provider for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted GIA, they may proceed pending FERC action.

9.2 Commencement of Interconnection Activities

If Interconnection Customer executes the final GIA, Distribution Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the GIA, subject to modification by FERC. Upon submission of an unexecuted GIA, Interconnection Customer and Distribution Provider shall promptly comply with the unexecuted GIA, subject to modification by FERC.

9.3 Interconnection Customer To Meet Requirements of the Distribution Provider's Interconnection Handbook

The Interconnection Customer's Interconnection Facilities shall be designed, constructed, operated and maintained in accordance with the Distribution Provider's Interconnection Handbook. In the event of a conflict between the terms of the GIP and the terms of the Distribution Provider's Interconnection Handbook, the terms in the GIP shall govern.

Section 10. Construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades and Funding of Network Upgrades

10.1 Schedule

Distribution Provider and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades.

10.2 Construction of Network Upgrades

With the exception of Local Delivery Network Upgrades and Area Delivery Network Upgrades for Option (B) Generating Facilities that were not allocated TP Deliverability, Network Upgrades will be constructed by the Distribution Provider. Interconnection Customers for Option (B) Generating Facilities that were not allocated TP Deliverability may, at their discretion, select parties other than the Distribution Provider to construct certain Local Delivery Network Upgrades and Area Delivery Network Upgrades required by their Option (B) Generating Facilities that were not allocated TP Deliverability, if such Local Delivery Network Upgrades and Area Delivery Network Upgrades are eligible for construction by parties other than the Distribution Provider pursuant to Section 24.5.2 of the ISO Tariff. Such Local Delivery Network Upgrades and Area Delivery Network Upgrades will be incorporated into the ISO Grid pursuant to the provisions for merchant transmission facilities in ISO Tariff Sections 24.4.6.1 and 36.11. Unless Interconnection Customers for Option (B) Generating

Facilities that were not allocated TP Deliverability elect construction by a party other than the Distribution Provider, the Distribution Provider will be obligated to construct the Local Delivery Network Upgrades and Area Delivery Network Upgrades. This section shall not apply to an Interconnection Customer's right to build Stand Alone Network Upgrades in accordance with the GIA.

10.3 Construction Sequencing

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

10.3.2 Construction of Network Upgrades that are or were an Obligation of an Entity other than Interconnection Customer. The Distribution Provider shall be responsible for constructing any Network Upgrades necessary to support the interconnection of the Generating Facility of an Interconnection Customer with a GIA whenever the Network Upgrades were included in the interconnection Base Case data for a Phase II Interconnection Study on the basis that they were Network Upgrades associated with Generating Facilities of Interconnection Customers that have an executed and effective GIA (or its equivalent predecessor agreement) or unexecuted GIA (or its equivalent predecessor agreement) filed with FERC, and such GIA specifies that the Distribution Provider would finance and construct the Network Upgrades, and either:

- (i) the Network Upgrades will not otherwise be completed because such GIA or equivalent predecessor agreement was subsequently terminated or the Interconnection Request has otherwise been withdrawn; or
- (ii) the Network Upgrades will not otherwise be completed in time to support the Interconnection Customer's In-Service Date because construction has not commenced in accordance with the terms of such GIA (or its equivalent predecessor agreement), and
- (iii) the Distribution Provider, in coordination the ISO, determines that the Network Upgrades remain needed to support the interconnection of the Interconnection Customer's Generating Facility notwithstanding, as applicable, the absence or delay of the

Generating Facility that is contractually, or was previously contractually, associated with the Network Upgrades

Where the Distribution Provider is constructing Area Delivery Network Upgrades for Option (B) Interconnection Customers and either (i) or (ii) above occurs, the Distribution Provider shall continue to construct such Area Delivery Network Upgrades with financing provided from the Interconnection Financial Security of those Option (B) Interconnection Customers' in the same Group Study, with any additional financing requirements to be reapportioned among those remaining Option (B) Interconnection Customers in the same Group Study who still need the Area Delivery Network Upgrades to achieve Full Capacity Deliverability Status or Partial Capacity Deliverability Status. In no case will the Distribution Provider become financially responsible for Area Delivery Network Upgrades required for Option (B) Interconnection Customers.

Further, to the extent the timing of such Network Upgrades was not accounted for in determining a reasonable Commercial Operation Date among the Distribution Provider, ISO, and the Interconnection Customer as part of the Phase II Interconnection Study, the Distribution Provider will use Reasonable Efforts to ensure that the construction of such Network Upgrades can accommodate the Interconnection Customer's proposed Commercial Operation Date. If, despite Reasonable Efforts, it is anticipated that the Network Upgrades cannot be constructed in time to accommodate the Interconnection Customer's proposed Commercial Operation Date, the Interconnection Customer may commit to pay the Distribution Provider any costs associated with expediting construction of the Network Upgrades to meet the original proposed Commercial Operation Date. The expediting costs under this GIP Section 10.3.2 shall be in addition to the Interconnection Customer's cost responsibility assigned under the applicable Interconnection Studies.

10.3.3 Advancing Construction of Distribution Upgrades and Network Upgrades that are Part of an Expansion Plan of the Distribution Provider. An Interconnection Customer with a GIA, in order to maintain its In-Service Date, may request that Distribution Provider advance to the extent necessary the completion of Distribution Upgrades and Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of Distribution Provider or approved ISO Transmission Plan covering the Distribution Provider's service territory, in time to support such In-Service Date. Upon such request, Distribution Provider will use Reasonable Efforts to advance the construction of such Distribution Upgrades and Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Distribution Provider any associated expediting costs. Interconnection Customer shall be entitled to

transmission credits, if any, in accordance with the GIA, for any expediting costs paid for Network Upgrades.

10.4 Initial Funding of Network Upgrades

10.4.1 Initial Funding of Network Upgrades for Interconnection Requests in the Cluster Study Process.

10.4.1.1 For Queue Cluster 4. For Interconnection Requests in Queue Cluster 4 processed under the Cluster Study Process, Reliability and Delivery Network Upgrades shall be funded by the Interconnection Customer(s) either by means of drawing down the Interconnection Financial Security or by the provision of additional capital, at each Interconnection Customer's election, up to a maximum amount no greater than that established by the cost responsibility assigned to each Interconnection Customer(s). The Distribution Provider shall be responsible for funding any capital costs for the Reliability and Delivery Network Upgrades that exceed the total cost responsibility for Reliability and Delivery Network Upgrades assigned to the Interconnection Customer(s). The Distribution Provider shall invoice the Interconnection Customer under Article 12.1 of the GIA up to the maximum amount no greater than that established by the cost responsibility assigned to the Interconnection Customer(s).

10.4.1.2 For Queue Cluster 5 and Subsequent Queue Clusters. For Interconnection Requests in Queue Cluster 5 and subsequent Queue Clusters processed under the Cluster Study Process, Reliability Network Upgrades and Local Delivery Network Upgrades shall be funded by the Interconnection Customer(s) either by means of drawing down the Interconnection Financial Security or by the provision of additional capital, at each Interconnection Customer's election, up to a maximum amount no greater than that established by the cost responsibility assigned to each Interconnection Customer(s). The Distribution Provider shall be responsible for funding any capital costs for the Reliability Network Upgrades and Local Delivery Network Upgrades that exceed the total cost responsibility for Reliability Network Upgrades and Local Delivery Network Upgrades assigned to the Interconnection Customer(s). The Distribution Provider shall invoice the Interconnection Customer under Article 12.1 of the GIA up to the maximum amount no greater than that established by the cost responsibility assigned to the Interconnection Customer(s). Upon the Commercial Operation Date of the Generating Facility, the Interconnection Customer shall be entitled to a repayment, in accordance with the methodology set for in

Article 11.4 of the GIA, for the Interconnection Customer's contribution to the cost of (a) Reliability Network Upgrades up to a maximum of \$60,000 per MW of generating capacity as specified in the GIA, and (b) Local Delivery Network Upgrades, except for Local Delivery Network Upgrades for Option (B) Generating Facilities that were not allocated TP Deliverability, in accordance with the Interconnection Customer's assigned cost responsibility. Option (B) Generating Facilities that were not allocated TP Deliverability will not receive repayment for Local Delivery Network Upgrades.

Where the funding responsibility for Area Delivery Network Upgrades being constructed by the Distribution Provider has been assigned to Option (B) Interconnection Customers, the Distribution Provider shall invoice the Interconnection Customer under Article 12.1 of the GIA up to the maximum amount no greater than that established by the cost responsibility assigned to the Interconnection Customer(s). Option (B) Generating Facilities that were not allocated TP Deliverability will not receive repayment for Area Delivery Network Upgrades.

10.4.2 Initial Funding of Network Upgrades for Interconnection Requests in the Independent Study Process. For Interconnection Requests processed under the Independent Study Process, unless the Distribution Provider elects to fund the full capital for identified Reliability and Delivery Network Upgrades, they shall be funded by the Interconnection Customer either by means of drawing down the Interconnection Financial Security or by the provision of additional capital, at each Interconnection Customer's election.

10.4.3 Initial Funding of Network Upgrades for Interconnection Requests in the Fast Track Process. For Interconnection Requests processed under the Fast Track Process, unless the Distribution Provider elects to fund the full capital for identified Reliability Network Upgrades, they shall be funded by the Interconnection Customer by the provision of additional capital.

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

10.5 Special Provisions for Affected Systems

The Interconnection Customer shall enter into an agreement with the owner of the Affected System, as applicable. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System as well as the repayment by the owner of the Affected System.

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

Section 11. Miscellaneous

11.1 Confidentiality

For the purposes of this GIP Section 11.1, “Party” or “Parties” shall mean the Distribution Provider, Interconnection Customer, ISO, or any combination of the Distribution Provider, Interconnection Customer, or ISO.

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

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

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

11.1.1 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the GIA; or (6) is required, in accordance with GIP Section 11.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the GIA.

Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

- 11.1.2 Release of Confidential Information.** Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, Affected Systems, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this GIP Section 11.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this GIP Section 11.1.
- 11.1.3 Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 11.1.4 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 11.1.5 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory requirements.
- 11.1.6 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of these confidentiality provisions. 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.

11.1.7 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this GIP Section 11.1. Each Party accordingly agrees that the other Party 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 GIP Section 11.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this GIP Section 11.1, 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 GIP Section 11.1.

11.1.8 Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this GIP Section 11.1 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the GIP, 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 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the GIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

11.1.9 Subject to the exception in GIP Section 11.1.8, any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably

deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this GIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other 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.

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

11.1.11 Distribution Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

11.2 Disputes

11.2.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the GIA, the GIP, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be resolved in accordance with the Dispute Resolution Procedures set forth in Section 9 of the Tariff.

11.3 Local Furnishing Bonds

11.3.1 Distribution Providers That Own Facilities Financed by Local Furnishing Bonds. This provision is applicable only to a Distribution Provider that has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this GIA and GIP, Distribution Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this GIA and GIP if the provision of such Distribution Service would jeopardize the tax-exempt status of any local furnishing bond(s)

used to finance Distribution Provider's facilities that would be used in providing such Interconnection Service.

11.3.2 Alternative Procedures for Requesting Interconnection Service. If Distribution Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

11.4 New Distribution Provider

If Distribution Provider transfers control of its Distribution System to a successor distribution provider during the period when an Interconnection Request is pending, the original Distribution Provider shall transfer to the successor distribution provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this GIP shall be paid by or refunded to the Interconnection Customer, as appropriate. The original Distribution Provider shall coordinate with the successor distribution provider to complete any Interconnection Study, as appropriate, that the original Distribution Provider has begun but has not completed. If Distribution Provider has tendered a draft GIA to Interconnection Customer but Interconnection Customer has not either executed the GIA or requested the filing of an unexecuted GIA with FERC, unless otherwise provided, Interconnection Customer must complete negotiations with the successor distribution provider.

APPENDIX 1 to GIP**WHOLESALE DISTRIBUTION ACCESS TARIFF
INTERCONNECTION REQUEST FOR A
GENERATING FACILITY**

Provide two copies of this completed form pursuant to Section 7 of this GIP Appendix 1 below.

1. The undersigned Interconnection Customer submits this request to interconnect its Generating Facility with Distribution Provider's Distribution System pursuant to the following process under Appendix I of the Tariff (check only one):
 - Cluster Study Process
 - Independent Study Process
 - Fast Track Process
 - Other (specify)_____

2. This Interconnection Request is for (check only one):
 - A proposed new Generating Facility.
 - An increase in the generating capacity or a Material Modification of an existing Generating Facility.
 - A change to Full Capacity Deliverability Status for a Generating Facility previously studied as Energy Only Deliverability Status in accordance with Section 4.7 of the GIP (Full Capacity Deliverability Study).

3. Deliverability Study is performed by the ISO. Requested Deliverability Status is for (check only one):
 - Full Capacity Deliverability Status (this option applies to the Cluster Study Process and Independent Study Process only)
 - Partial Capacity Deliverability Status for ____ MW [specify requested MW to be evaluated for Deliverability. This MW amount should be less than the total MW of the Generating Facility) of electrical output (this option applies to the Cluster Study Process and Independent Study Process only)
 - Energy Only Deliverability Status (this option applies to the Cluster Study Process, Independent Study Process, and Fast Track Process)

4. Interconnection Customer provides the following information:
 - a. Address or location, including the county, of the proposed new Generating Facility site (to the extent known) or, in the case of an existing Generating Facility, the name and specific location, including the county, of the existing Generating Facility;

Project Name:

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Project Location:

Street Address:

City, State:

County:

Zip Code:

GPS Coordinates:

Assessor's Parcel Numbers (if available):

- b. Maximum net megawatt electrical output (as defined by section 2.C. of Attachment A to this appendix) of the proposed new Generating Facility or the amount of net megawatt increase in the generating capacity of an existing Generating Facility;

Maximum net megawatt electrical output (MW): _____ or

Net Megawatt increase (MW): _____

- c. Type of project (i.e., gas turbine, hydro, wind, etc.) and general description of the equipment configuration (if more than one type is chosen, include net MW for each);

___ Cogeneration _____ MW

___ Reciprocating Engine _____ MW

___ Biomass _____ MW

___ Steam Turbine _____ MW

___ Gas Turbine _____ MW

___ Wind _____ MW

___ Hydro _____ MW

___ Inverter Based: (e.g., Photovoltaic, Fuel Cell) _____ MW

If Fuel Cell, please describe primary fuel source: _____

Storage (rated discharging power) _____ MW

Storage type (e.g., Pump-Storage Hydro, Battery (w/type)): _____

___ Combined Cycle _____ MW

___ Other (please describe): _____

_____ MW

- d. Proposed In-Service Date, and Other Key Dates (Day/Month/Year) (Dates must be sequential)

Proposed In-Service Date: / /

Proposed Trial Operation Date: / /

Proposed Commercial Operation Date: / /

Proposed Term of Service (years): _____

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-
- e. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person (primary person who will be contacted);

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

- f. Point of Interconnection:

Distribution Substation (Name and voltage level): _____, or
 Distribution Feeder: _____, or
 Approximate location of the proposed Point of Interconnection _____
 _____ (i.e., specify distribution
 facility interconnection point name, voltage level, and the location of
 interconnection);

- g. Interconnection Customer Data (set forth in Attachment A)

The Interconnection Customer shall provide to the Distribution Provider the technical data called for in Attachment A. Two (2) copies are required.

5. Applicable Interconnection Study Deposit amount as specified in GIP Section 4.2.1 or 4.7.1, as applicable, for the Cluster Study Process or GIP Section 5.2.1 for the Independent Study Process, or \$1,500 as provided in GIP Section 6.2 for the Fast Track Process made payable to Southern California Edison Company. Send check to Distribution Provider along with:

1. A completed Interconnection Request form for processing.
2. A completed Attachment A (Interconnection Request Generating Facility Data).

6. Evidence of Site Exclusivity as specified in GIP Sections 4.2.1, 5.2.1, or 6.3, as applicable, and name(s), address(es) and contact information of site owner(s). (check one)

- Is attached to this Interconnection Request
- If Interconnection Customer requests processing under the Cluster Study Process or Independent Study Process, then deposit in lieu of Site Exclusivity attached. Site Exclusivity will be provided at a later date in accordance with this GIP.

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7. This Interconnection Request shall be submitted to the Distribution Provider as indicated below:

Southern California Edison Company
Grid Interconnection & Contract Development
P.O. Box 800
2244 Walnut Grove Avenue
Rosemead, CA 91770

Email: grid.interconnections@sce.com
Phone: (626) 302-3688

8. Representative of Interconnection Customer to contact:

[To be completed by Interconnection Customer]

Name:
Title:
Company Name:
Street Address:
City, State:
Zip Code:
Phone Number:
Fax Number:
Email Address:

9. If the Interconnection Customer also requests Distribution Service, additional information ~~and an additional deposit~~ is required in accordance with Section 15.2 of the Tariff.

10. This Interconnection Request is submitted by:

Legal name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

**Attachment A to
Interconnection Request****WHOLESALE DISTRIBUTION ACCESS TARIFF
GENERATING FACILITY DATA**

Provide two copies of this completed form pursuant to Section 7 of Interconnection Request.

Each Interconnection Customer will complete Sections 1 and 2 of this Attachment A. Each Interconnection Customer will complete the applicable data in Sections 3 through 6 of this Attachment A based on the type of generating facility(ies) requesting interconnection. (Section 3 for synchronous generators, Section 4 for induction generators, Section 5 for wind turbine generators, and Section 6 for inverter-based generators).

Each Interconnection Customer will complete Sections 7 through 10, as applicable.

At any time, Distribution Provider may require Interconnection Customer to provide additional technical data, or additional documentation supporting the technical data provided, as deemed necessary by the Distribution Provider to perform Interconnection Studies, other studies, or evaluations as set forth under the GIP.

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

- A. Site drawing showing generator location and Point of Interconnection with the Distribution Provider's Distribution System.
- 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. This one-line drawing must be signed and stamped by a licensed Professional Engineer if the Generating Facility is larger than 50 kW.

2. Generating Facility General Information:

- A. Total Generating Facility rated output (MW): _____
- A1. Maximum Generating Facility operating capacity (MW): _____
(applicable if the Generating Facility output will be limited to less than rated capacity)
- B. Generating Facility auxiliary load (MW): _____
- C. Net Generating Facility capacity at generator/inverter terminals (MW): _____
(A-B) or (A1-B)
- D. Collector system losses (MW): _____ (insert "n/a" if not applicable or negligible)
- E. Main step-up transformer losses (MW): _____ (insert "n/a" if not applicable or negligible)
- FC. Project Net Generating Facility capacity at high-side of main step-up transformer (MW): _____ (C-D-E)
- G. Gen-tie loss to Point of Interconnection (MW): _____ (insert "n/a" if

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- not applicable or negligible)
- H.** Net Generating Facility capacity at Point of Interconnection (MW):
(F-G)
- H1.** Maximum export capacity at Point of Interconnection (MW):
(applicable if the requested export capacity at the Point of Interconnection is less
than the Net Generating Facility capacity at the Point of Interconnection. If so,
please indicate the reason (e.g., serving host load, etc.))
- ID.** Standby Load when Generating Facility is off-line (MW): _____
- JE.** Number of Generating Units: _____
 (Please repeat the following items for each generator)
- KF.** Individual generator rated output (MW for each unit): _____
- LG.** Manufacturer of the Generating Units Facility: _____
-
- MH.** Year Manufactured: _____
- NI.** Nominal Terminal Voltage (kV): _____
- OJ.** Rated Power Factor (%): _____
- PK.** Type (induction, synchronous, D.C. with inverter): _____
- QL.** Phase (3 phase or single phase): _____
- RM.** Connection (Delta, Grounded WYE, Ungrounded WYE, impedance grounded):

- SN.** Generator Voltage Regulation Range (+/- %): _____
- TQ.** Generator Power Factor Regulation Range: _____
- UP.** For combined cycle plants, specify the plant net output capacity (MW) for an
 outage of the steam turbine or an outage of a single combustion
 turbine _____

3. Synchronous Generator –Information:

3A Generator Information:

(Please repeat the following for each generator)

- A. Rated Generator speed (rpm): _____
- B. Rated MVA: _____
- C. Rated Generator Power Factor: _____
- D. Generator Efficiency at Rated Load (%): _____
- E. Moment of Inertia (including prime mover): _____
- F. Inertia Time Constant (on machine base) H: _____ sec or
 MJ/MVA
- G. SCR (Short-Circuit Ratio - the ratio of the field current required for rated
 open-circuit voltage to the field current required for rated short-circuit
 current): _____
- H. Please attach generator reactive capability curves.
- I. Rated Hydrogen Cooling Pressure in psig (Steam Units only):

- J. Please attach a plot of generator terminal voltage versus field current that

shows the air gap line, the open-circuit saturation curve, and the saturation curve at full load and rated power factor.

3B Excitation System Information:

(Please repeat the following for each generator)

- A. Indicate the Manufacturer _____ and Type _____ of excitation system used for the generator. For exciter type, please choose from 1 to 9 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).
 - (9) Other (specify): _____
- B. Attach a copy of the block diagram of the excitation system from its instruction manual. The diagram should show the input, output, and all feedback loops of the excitation system.
- C. Excitation system response ratio (ASA): _____
- D. Full load rated exciter output voltage: _____
- E. Maximum exciter output voltage (ceiling voltage): _____
- F. Other comments regarding the excitation system? _____
-

3C Power System Stabilizer ("PSS") Information:

(Please repeat the following for each generator model. All new generators are required to install PSS unless an exemption has been obtained from WECC. Such

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an exemption can be obtained for units that do not have suitable excitation systems.)

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

3D Turbine-Governor Information:

(Please repeat the following for each generator model.)

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

- A. Steam, gas or combined-cycle turbines:
- (1) List type of unit (Steam, Gas, or Combined-cycle): _____
 - (2) If steam or combined-cycle, does the turbine system have a reheat process (i.e., both high and low pressure turbines)? _____
 - (3) If steam with reheat process, or if combined-cycle, indicate in the space provided, the percent of full load power produced by each turbine:
 Low pressure turbine or gas turbine: _____ %
 High pressure turbine or steam turbine: _____ %
 - (4) For combined cycle plants, specify the plant net output capacity (MW) for an outage of the steam turbine or an outage of a single combustion turbine: _____
- B. Hydro turbines:
- (1) Turbine efficiency at rated load: _____ %
 - (2) Length of penstock: _____ ft
 - (3) Average cross-sectional area of the penstock: _____ ft²
 - (4) Typical maximum head (vertical distance from the bottom of the penstock, at the gate, to the water level): _____ ft
 - (5) Is the water supply run-of-the-river or reservoir: _____
 - (6) Water flow rate at the typical maximum head: _____ ft³/sec
 - (7) Average energy rate: _____ kW-hrs/acre-ft

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(8) Estimated yearly energy production: _____kW-hrs

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

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

3E Short Circuit Duty Information:

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

- X_d – Direct Axis Synchronous Reactance: _____ p.u.
- X'_d – Direct Axis Transient Reactance: _____ p.u.
- X''_d – Direct Axis Subtransient Reactance: _____ p.u.
- X₂ – Negative Sequence Reactance: _____ p.u.
- X₀ – Zero Sequence Reactance: _____ p.u.

Generator Grounding (select one for each model):

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

4. Induction Generator Information:

(Please repeat the following for each generator)

- A. Motoring Power (kW): _____
- B. I₂²t or K (Heating Time Constant): _____
- C. Rotor Resistance, R_r: _____
- D. Stator Resistance, R_s: _____
- E. Stator Reactance, X_s: _____
- F. Rotor Reactance, X_r: _____

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-
- G. Magnetizing Reactance, X_m : _____
 H. Short Circuit Reactance, X_d'' : _____
 I. Exciting Current: _____
 J. Temperature Rise: _____
 K. Frame Size: _____
 L. Design Letter: _____
 M. Reactive Power Required In Vars (No Load): _____
 N. Reactive Power Required In Vars (Full Load): _____
 O. Total Rotating Inertia, H: _____ Per Unit on kVA Base

5. Wind Turbine Generator (WTG) Information:

(Proposed projects may include one or more WTG types. Please repeat the following for each type of WTG).

- A. Number of generators to be interconnected pursuant to this Interconnection Request: _____
 B. Average Site Elevation: _____ Single Phase _____ Three Phase _____
 C. Field Volts: _____
 D. Field Amperes: _____
 E. Motoring Power (MW): _____
 F. Neutral Grounding Resistor (If Applicable): _____
 G. I^2t or K (Heating Time Constant): _____
 H. Rotor Resistance: _____
 I. Stator Resistance: _____
 J. Stator Reactance: _____
 K. Rotor Reactance: _____
 L. Magnetizing Reactance: _____
 M. Short Circuit Reactance: _____
 N. Exciting Current: _____
 O. Temperature Rise: _____
 P. Frame Size: _____
 Q. Design Letter: _____
 R. Reactive Power Required In Vars (No Load): _____
 S. Reactive Power Required In Vars (Full Load): _____
 T. Total Rotating Inertia, H: _____ Per Unit on 100 MVA Base

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

Distribution Provider may require testing verification of voltage and harmonic performance during commissioning test of WTG based generation projects.

6. Inverter Based Generation Systems Information:

(Proposed inverter based generation projects may include one or more types of inverters. Please repeat the following for each type of inverter).

- A. Inverter Manufacturer and Model: _____
- B. Number of Inverters: _____
- C. Nameplate Rating (AC, each inverter): _____/_____ kW
- D. Nameplate Voltage Rating (AC): _____ kV
- E. Maximum AC line current: _____ Amps
- F. Nameplate Power Factor Rating (AC): _____
- G. Please attach capability curve describing reactive power or power factor range from no output to full rated output
- H. Inverter control mode (e.g. voltage, power factor, reactive power): _____
- I. Short Circuit Characteristics: Applicant to provide technical data related to the short circuit characteristics of proposed inverter based generation systems. For example, the applicant can provide a sinusoidal waveform test data showing faulted condition at the AC side of the inverter for a three phase and single-line-to-ground fault.
- J. Harmonics Characteristics:
 - (1) Inverter switching frequency: _____
 - (2) Harmonic characteristics for each unit up to switching frequency: _____
 - (3) Harmonic characteristics for aggregate generation facility: _____
- K. Inverter disconnection characteristics: Applicant to provide voltage sinusoidal waveform test data which shows the voltage characteristics during disconnection of inverter system from distribution system at 100% and at 50% of rated output.
- L. Provide documentation demonstrating compliance with the Smart Inverter requirements specified in Section 3.13 of the GIP.

Distribution Provider may require testing verification of voltage and harmonic performance during commissioning test of the inverter based generation systems.

7. Step-Up Transformer Data:

For each step-up transformer (e.g. main step-up transformers, padmount transformers), fill out the data form provided in Table 1.

8. Interconnection Facilities Line Data:

For transmission lines that are to be planned by the generation developer, please provide the following information:

Nominal Voltage: _____ kV

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Line Length (miles): _____
 Line termination Points: _____
 Conductor Type: _____ Size: _____
 If bundled. Number per phase: _____, Bundle spacing: _____ in.
 Phase Configuration. Vertical: _____, Horizontal: _____
 Phase Spacing (ft): A-B: _____, B-C: _____, C-A: _____
 Distance of lowest conductor to Ground at full load and 40°C: _____ ft
 Ground Wire Type: _____ Size: _____ Distance to Ground: _____ ft
 Attach Tower Configuration Diagram
 Summer line ratings in amperes (normal and emergency) _____
 Positive Sequence Resistance (R): _____ p.u.** (for entire line length)
 Positive Sequence Reactance: (X): _____ p.u.** (for entire line length)
 Zero Sequence Resistance (R0): _____ p.u.** (for entire line length)
 Zero Sequence Reactance: (X0): _____ p.u.** (for entire line length)
 Line Charging (B/2): _____ p.u.**
 ** On 100-MVA and nominal line voltage (kV) Base

9. For Wind/Photovoltaic Plants, provide Collector System Equivalence Impedance Data (if applicable):

Provide values for each equivalence collector circuit at all voltage levels.

Nominal Voltage: _____ kV
Summer line ratings in amperes (normal and emergency): _____
Positive Sequence Resistance (R): _____ p.u.** (for entire line length of each collector circuit)
Positive Sequence Reactance: (X): _____ p.u.** (for entire line length of each collector circuit)
Zero Sequence Resistance (R0): _____ p.u.** (for entire line length of each collector circuit)
Zero Sequence Reactance: (X0): _____ p.u.** (for entire line length of each collector circuit)
Line Charging (B/2): _____ p.u.**

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

109. Plant-Level Reactive Power Compensation Data:

Provide the following information for plant-level reactive power compensation, if applicable:

- A. Number of individual shunt capacitor banks: _____
- B. Individual shunt capacitor bank rated voltage (kV): _____
- C. Individual shunt capacitor bank size (kVAR at rated voltage): _____
- D. Planned dynamic reactive control devices (SVC, STATCOM): _____
- E. Control range: _____ kVAR (lead) _____ kVAR (lag)

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- F. Control mode (e.g. voltage, power factor, reactive power): _____
 G. Please provide the overall plant reactive power control strategy _____

11. Storage System Information:

Description of the intended use of the storage system (e.g., export to the grid, peak shaving, load shifting, etc.): _____

Provide the following information for each type of storage device:

- A. Manufacturer and model: _____
- B. Source Functions
- (1) Total storage capability: _____ MWh
- (2) Rated storage discharging power: _____ MW
- (3) Maximum storage discharging power: _____ MW
If the maximum storage discharging power is less than the rated storage discharging power, specify the device(s) used to limit the discharge (e.g., inverters, storage control, etc.): _____
- (4) Discharge duration under rated power: _____ Hours
- (5) Discharge duration under maximum power: _____ Hours
- C. Charging Functions
- (1) Rated storage charging power: _____ MW
- (2) Maximum storage charging power: _____ MW
If the maximum storage charging power is less than the rated storage charging power, specify the device(s) used to limit the charging (e.g., inverters, storage control, etc.): _____
- (3) Charge duration under rated power: _____ Hours
- (4) Charge duration under maximum power: _____ Hours
- (5) Will the Distribution System be used to charge the storage device (Yes/No): _____
If No, specify the device(s) used to prevent charging from the Distribution System (e.g., inverters, storage control, etc.): _____

120. Load Flow and Dynamic Models:

The WECC Data Preparation Manual for Power Flow Base Cases and Dynamic Stability Data has established power flow and dynamic modeling requirements for generation projects in WECC base cases. In general, if the aggregate sum of generation on a bus exceeds 10 MVA, it should not be netted. Furthermore, the total netted generation in an area should not exceed five percent of the area's total generation. Based on current WECC modeling requirements, the following information will be required for all generation projects whose net capacity is greater than 10 MVA. The following information may also be required for generation projects less than 10 MVA on a case-by-case basis, based on the amount of generation in the area of the requested Point of Interconnection.

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- A. Provide load flow model for the generating plant and its interconnection facilities in GE PSLF *.epc format, including new buses, generators, transformers, interconnection facilities. An equivalent model is required for the plant with generation collector systems. This data should reflect the technical data provided in this Attachment A.

- B. For each generator, governor, exciter, power system stabilizer, WTG, or inverter based generator, select the appropriate dynamic models from the General Electric PSLF Program Manual and provide the required input data. Include any user written *.p EPCL files to simulate inverter based plants' dynamic responses (typically needed for inverter based PV/wind plants). Provide a completed *.dyd file that contains the information specified in this section.

The GE PSLF manual is available upon request from GE. There are links within the GE PSLF User's Manual to detailed descriptions of specific models, a definition of each parameter, a list of the output channels, explanatory notes, and a control system block diagram. In addition, GE PSLF modeling information and various modeling guidelines documents have been prepared by the WECC Modeling and Validation Work Group. This information is available on the WECC website (www.wecc.biz).

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

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TABLE 1

TRANSFORMER DATA
 (Provide for each level of transformation)

UNIT* _____

NUMBER OF TRANSFORMERS _____ PHASE _____

RATING	H Winding	X Winding	Y Winding
Rated MVA	_____	_____	_____
Connection (Delta, Wye, Gnd.)	_____	_____	_____
Cooling Type (OA,OA/FA, etc) :	_____	_____	_____
Temperature Rise Rating	_____	_____	_____
Rated Voltage	_____	_____	_____
BIL	_____	_____	_____
Available Taps (% of rating)	_____	_____	_____
Load Tap Changer? (Y or N)	_____	_____	_____
Tap Settings	_____	_____	_____
IMPEDANCE	H-X	H-Y	X-Y
Percent	_____	_____	_____
MVA Base	_____	_____	_____
Tested Taps	_____	_____	_____
WINDING RESISTANCE	H	X	Y
Ohms	_____	_____	_____

CURRENT TRANSFORMER RATIOS

H _____ X _____ Y _____ N _____

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

Supply copy of nameplate and manufacturer's test report when available.

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* For Generating Facilities with multiple step-up transformers, identify the transformer datasheet unit number with that of the single line.

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APPENDIX 3 to GIP

GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT For the Cluster Study Process

THIS GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT (“AGREEMENT”) is made and entered into ~~this ___ day of _____, 20__~~ by and between _____, a _____ organized and existing under the laws of the State of _____, (“Interconnection Customer”) and _____ a- _____ existing under the laws of the State of _____, (“Distribution Provider”). Interconnection Customer and Distribution Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

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

WHEREAS, Interconnection Customer desires to interconnect the Generating Facility with the Distribution System pursuant to the Cluster Study Process; and

WHEREAS, the Interconnection Customer has requested Distribution Provider to perform Interconnection Studies to assess the system impact of interconnecting the Generating Facility to the Distribution System, and any Affected Systems and to specify and estimate the cost of the equipment, engineering, procurement and construction work needed on the Distribution Provider’s electric system to physically and electrically connect the Generating Facility to the Distribution Provider’s Distribution System in accordance with Good Utility Practice;

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 Distribution Provider's FERC approved GIP.
- 2.0 Interconnection Customer elects and Distribution Provider shall cause to be performed Interconnection Studies consistent with Section 4 of the GIP.
- 3.0 The scope of the Interconnection Studies shall be subject to the assumptions set forth in Attachments A and B to this Agreement.

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- 4.0 The Interconnection Studies will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting, subject to any modifications in accordance with Section 4.5.7.2 of the GIP and modifications to the proposed Commercial Operation Date of the Generating Facility permitted by the GIP. Distribution Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Studies. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the Interconnection Studies may be modified as specified in the GIP.
- 5.0 The Interconnection Study report for each Interconnection Study shall provide the information specified in the GIP.
- 6.0 Interconnection Customer shall provide Interconnection Financial Security in accordance with GIP Section 4.8.2 on or before ninety (90) Calendar Days after issuance of the final Phase I Interconnection Study report.
- 7.0 Upon completion of the Interconnection Studies, Distribution Provider shall charge and Interconnection Customer shall pay its pro rata share of the actual costs of the Interconnection Study pursuant to Section 3.3.3.4 of the GIP.
- 8.0 The Distribution Provider may provide copies of the Interconnection Studies results to the ISO, an Affected System Operator and the Western Electricity Coordinating Council. Requests for review and input from any Affected System Operators or the Western Electricity Coordinating Council may arrive at any time prior to interconnection.
- 9.0 Substantial portions of technical data and assumptions used to perform the Interconnection Studies, such as system conditions, existing and planned generation, and unit modeling, may change after the Distribution Provider provides the Interconnection Studies results to the Interconnection Customer. Interconnection Studies results will reflect available data at the time the Distribution Provider provides the Interconnection Study reports to the Interconnection Customer. The Distribution Provider shall not be responsible for any additional costs for Distribution Provider's Interconnection Facilities, Distribution Upgrades, Reliability Network Upgrades, Area Delivery Network Upgrades and Local Delivery Network Upgrades, 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.
- 10.0 The Distribution Provider shall maintain records and accounts of all costs incurred in performing the Interconnection Studies in sufficient detail to allow verification of all costs incurred, including associated overheads. The

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Interconnection Customer shall have the right, upon reasonable notice, within a reasonable time at the Distribution Provider's offices and at its own expense, to audit the Distribution Provider's records as necessary and as appropriate in order to verify costs incurred by the Distribution Provider. Any audit requested by the Interconnection Customer shall be completed, and written notice of any audit dispute provided to the Distribution Provider, within one hundred eighty (180) Calendar Days following receipt by the Interconnection Customer of the Distribution Provider's notification of the final costs of the Interconnection Studies.

- 11.0 In accordance with Section 3.11 of the GIP, the Interconnection Customer may withdraw its Interconnection Request at any time by written notice to the Distribution Provider. Upon receipt of such notice, this Agreement shall terminate, subject to the requirements of Sections 4.2.1 and 11.1 of the GIP.
- 12.0 This Agreement shall become effective upon the date the fully executed Agreement is received by the Distribution Provider. If the Distribution Provider does not receive the fully executed Agreement pursuant to Section 4.4 of the GIP, then the Interconnection Request will be deemed withdrawn upon the Interconnection Customer's receipt of written notice by the Distribution Provider pursuant to Section 3.11 of the GIP.
- 13.0 Miscellaneous.
- 13.1 Dispute Resolution.
- 13.1.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement 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 the GIP.
- 13.1.2 External Arbitration Procedures. Any arbitration initiated under this Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single

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- 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 Section 13.1.2, the terms of this Section 13.1.2 shall prevail.
- 13.1.3 **Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, Distribution Upgrades, or Network Upgrades.
- 13.1.4 **Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.
- 13.2 **Confidentiality.** Confidential Information shall be treated in accordance with Section 11.1 of the GIP.
- 13.3 **Binding Effect.** This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

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- 13.4 **Conflicts.** In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 13.5 **Rules of Interpretation.** This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any applicable laws and regulations means such applicable laws and regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Agreement or such Appendix to this Agreement, or such Section of the GIP or such Appendix to the GIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section, or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 13.6 **Entire Agreement.** This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.
- 13.7 **No Third Party Beneficiaries.** This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 13.8 **Waiver.** The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

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

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

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

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

[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____ By: _____
Printed Name: _____ Printed Name: _____
Title: _____ Title: _____
Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____
Printed Name: _____
Title: _____
Date: _____

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**Attachment A
Cluster Study Process
Generator Interconnection
Study Process Agreement**

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

The Phase I Interconnection Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on _____, subject to any modifications in accordance with Section 4.5.7.2 of the GIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

Deliverability status requested:

- _____ Full Capacity Deliverability Status
- _____ Partial Capacity Deliverability Status for _____ MW of Generating Facility capacity
- _____ Energy-Only Deliverability Status

NOTICE: YOUR CHOICE OF DELIVERABILITY STATUS CAN AFFECT YOUR ABILITY TO QUALIFY YOUR GENERATING FACILITY AS A RESOURCE ADEQUACY RESOURCE OR AFFECT YOUR TRANSACTIONS FOR SALE OF POWER. PLEASE GIVE CONSIDERATION TO YOUR CHOICE OF DELIVERABILITY STATUS.

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**Attachment B to
Cluster Study Process
Generator Interconnection
Study Process Agreement**

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

Generating Facility size (MW): _____

Provide location plan and one-line diagram of the plant and station facilities.

One set of metering is required for each generation connection to the new bus or existing Distribution Provider station or distribution line. Number of generation connections:

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

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

Will an alternate source of auxiliary power be available during CT/PT maintenance?

___ Yes ___ No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? ___ Yes ___ No (Please indicate on the one line diagram).

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

What protocol does the control system or PLC use?

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

Physical dimensions of the proposed interconnection station: _____

Bus length from generation to interconnection station: _____

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Line length from interconnection station to Distribution Provider's transmission line.

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

Number of third party easements required for transmission lines*:

* To be completed in coordination with Distribution Provider.

Is the Generating Facility in the Distribution Provider's service area?

____ Yes ____ No Local service provider for auxiliary and other power: _____

Please provide proposed schedule dates:

Environmental survey start: Date _____

Environmental impact report submittal: Date _____

Procurement of project equipment: Date _____

Begin Construction Date: _____

In-Service Date Date: _____

Trial Operation Date: _____

Commercial Operation Date: _____

Level of ISO Grid Deliverability: Choose one of the following:

_____ Energy-Only Deliverability Status

_____ Full Capacity Deliverability Status

_____ Partial Capacity Deliverability Status for _____ MW of Generating Facility capacity

TP Deliverability: Choose one of the following:

_____ Option (A), which means that the Generating Facility requires TP Deliverability to be able to continue to commercial operation.

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_____ Option (B), which means that the Interconnection Customer will continue to commercial operation without an allocation of TP Deliverability.

Please provide any additional modification request pursuant to GIP Section 4.5.7.2.2:

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APPENDIX 4 to GIP

INDEPENDENT STUDY PROCESS STUDY AGREEMENT For the Independent Study Process

THIS INDEPENDENT STUDY PROCESS STUDY AGREEMENT
("AGREEMENT") is made and entered into ~~this ___ day of _____, 20___~~ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer") and _____ a _____ existing under the laws of the State of _____, ("Distribution Provider"). Interconnection Customer and Distribution Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

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

WHEREAS, Interconnection Customer desires to interconnect the Generating Facility with the Distribution System pursuant to the Independent Study Process; and

WHEREAS, the Interconnection Customer has requested Distribution Provider to perform Interconnection Studies to assess the system impact of interconnecting the Generating Facility to the Distribution System, and any Affected Systems and to specify and estimate the cost of the equipment, engineering, procurement and construction work needed on the Distribution Provider's electric system to physically and electrically connect the Generating Facility to the Distribution Provider's Distribution System in accordance with Good Utility Practice;

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 Distribution Provider's FERC approved GIP.
- 2.0 Interconnection Customer elects and Distribution Provider shall cause to be performed Interconnection Studies consistent with Section 5 of the GIP.
- 3.0 The scope of the Interconnection Studies shall be subject to the assumptions set forth in Attachments A and B to this Agreement.

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- 4.0 The Interconnection Studies will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting, subject to any modifications in accordance with Section 5.8.1.6 of the GIP. Distribution Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Studies. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the Interconnection Studies may be modified as specified in the GIP.
- 5.0 The Interconnection Study report for each Interconnection Study shall provide the information specified in the GIP.
- 6.0 Interconnection Customer shall provide Interconnection Financial Security in accordance with GIP Section 5.9.2 on or before sixty (60) Calendar Days after issuance of the final Interconnection System Impact Study report.
- 7.0 Upon completion of the Interconnection Studies, Distribution Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies pursuant to Section 3.3.3.4 of the GIP.
- 8.0 The Distribution Provider may provide copies of the Interconnection Studies results to the ISO, an Affected System Operator and the Western Electricity Coordinating Council. Requests for review and input from any Affected System Operators or the Western Electricity Coordinating Council may arrive at any time prior to interconnection.
- 9.0 Substantial portions of technical data and assumptions used to perform the Interconnection Studies, such as system conditions, existing and planned generation, and unit modeling, may change after the Distribution Provider provides the Interconnection Studies results to the Interconnection Customer. Interconnection Studies results will reflect available data at the time the Distribution Provider provides the Interconnection Study reports to the Interconnection Customer. The Distribution Provider shall not be responsible for any additional costs for Distribution Provider's Interconnection Facilities, Distribution Upgrades, Reliability Network Upgrades, Area Delivery Network Upgrades and Local Delivery Network Upgrades, 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.
- 10.0 The Distribution Provider shall maintain records and accounts of all costs incurred in performing the Interconnection Studies 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

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reasonable time at the Distribution Provider's offices and at its own expense, to audit the Distribution Provider's records as necessary and as appropriate in order to verify costs incurred by the Distribution Provider. Any audit requested by the Interconnection Customer shall be completed, and written notice of any audit dispute provided to the Distribution Provider, within one hundred eighty (180) Calendar Days following receipt by the Interconnection Customer of the Distribution Provider's notification of the final costs of the Interconnection Studies.

- 11.0 In accordance with Section 3.11 of the GIP, the Interconnection Customer may withdraw its Interconnection Request at any time by written notice to the Distribution Provider. Upon receipt of such notice, this Agreement shall terminate, subject to the requirements of Section 5.2.1.1 and 11.1 of the GIP.
- 12.0 This Agreement shall become effective upon the date the fully executed Agreement is received by the Distribution Provider. If the Distribution Provider does not receive the fully executed Agreement pursuant to Section 5.7 of the GIP, then the Interconnection Request will be deemed withdrawn upon the Interconnection Customer's receipt of written notice by the Distribution Provider pursuant to Section 3.11 of the GIP.
- 13.0 Miscellaneous.
- 13.1 Dispute Resolution.
- 13.1.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement 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 the GIP.
- 13.1.2 External Arbitration Procedures. Any arbitration initiated under this Agreement 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

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- 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 Section 13.1.2, the terms of this Section 13.1.2 shall prevail.
- 13.1.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, Distribution Upgrades, or Network Upgrades.
- 13.1.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.
- 13.2 Confidentiality. Confidential Information shall be treated in accordance with Section 11.1 of the GIP.
- 13.3 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

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- 13.4 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 13.5 Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any applicable laws and regulations means such applicable laws and regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Agreement or such Appendix to this Agreement, or such Section of the GIP or such Appendix to the GIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article Section, or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 13.6 Entire Agreement. This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.
- 13.7 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 13.8 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

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

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

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

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

[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____ By: _____
Printed Name: _____ Printed Name: _____
Title: _____ Title: _____
Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____
Printed Name: _____
Title: _____
Date: _____

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**Attachment A
Independent Study Process
Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION SYSTEM IMPACT STUDY**

The Interconnection System Impact Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on _____, subject to any modifications in accordance with Section 5.8.1.6 of the GIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

Deliverability status requested:

_____ Full Capacity Deliverability Status

_____ Partial Capacity Deliverability Status for _____ MW of Generating Facility capacity

_____ Energy-Only Deliverability Status

NOTICE: YOUR CHOICE OF DELIVERABILITY STATUS CAN AFFECT YOUR ABILITY TO QUALIFY YOUR GENERATING FACILITY AS A RESOURCE ADEQUACY RESOURCE OR AFFECT YOUR TRANSACTIONS FOR SALE OF POWER. PLEASE GIVE CONSIDERATION TO YOUR CHOICE OF DELIVERABILITY STATUS.

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**Attachment B
Independent Study Process
Study Agreement**

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

Generating Facility size (MW): _____

Provide location plan and one-line diagram of the plant and station facilities.

One set of metering is required for each generation connection to the new bus or existing Distribution Provider station or distribution line. Number of generation connections:

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

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

Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes No (Please indicate on the one line diagram).

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

What protocol does the control system or PLC use?

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

Physical dimensions of the proposed interconnection station:

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Bus length from generation to interconnection station:

Line length from interconnection station to Distribution Provider's transmission line.

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

Number of third party easements required for transmission lines*:

* To be completed in coordination with Distribution Provider.

Is the Generating Facility in the Distribution Provider's service area?

____ Yes ____ No Local service provider for auxiliary and other power:

Please provide proposed schedule dates:

Environmental survey start: Date _____

Environmental impact report submittal: Date _____

Procurement of project equipment: Date _____

Begin Construction Date: _____

In-Service Date Date: _____

Trial Operation Date: _____

Commercial Operation Date: _____

Level of ISO Grid Deliverability: Choose one of the following:

_____ Energy-Only Deliverability Status

_____ Full Capacity Deliverability Status

_____ Partial Capacity Deliverability Status for _____ MW of Generating Facility capacity

TP Deliverability: Choose one of the following:

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_____ Option (A), which means that the Generating Facility requires TP Deliverability to be able to continue to commercial operation.

_____ Option (B), which means that the Interconnection Customer will continue to commercial operation without an allocation of TP Deliverability.

Please provide any additional modification request pursuant to GIP Section 5.8.1.6:

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APPENDIX 5.2 to GIP

**GENERATOR INTERCONNECTION AGREEMENT (GIA)
FOR A GENERATING FACILITY
INTERCONNECTING UNDER THE CLUSTER STUDY PROCESS**

(Applicable for Queue Cluster 5 and Subsequent Queue Clusters)

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GENERATOR INTERCONNECTION AGREEMENT

THIS GENERATOR INTERCONNECTION AGREEMENT (“GIA” or “Agreement”) is made and entered into ~~this ____ day of _____, 20__~~, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ (“Interconnection Customer” with a Generating Facility), and Southern California Edison Company, a corporation organized and existing under the laws of the State of California (“Distribution Provider and/or Distribution Owner”). Interconnection Customer and Distribution Provider each may be referred to as a “Party” or collectively as the “Parties.”

Recitals

WHEREAS, Distribution Provider operates the Distribution System; and

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

WHEREAS, Interconnection Customer and Distribution Provider have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the Distribution System;

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

When used in this Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Tariff.

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 Distribution Provider’s Distribution System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

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

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

Annual Tax Security Reassessment shall mean the annual reassessment of the current tax liability in accordance with the directives of FERC Orders 2003-A and 2003-B associated with Article 5.17.4 of the GIA which will commence the first year after Interconnection Customer's in-service date.

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

Applicable Reliability Council shall mean the reliability council applicable to the Distribution System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Distribution System to which the Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.

Area Deliverability Constraint shall mean a Transmission System operating limit that either (a) would constrain the deliverability of a substantial number of generators if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to additional generating facilities in one or more specified geographic or electrical areas of the ISO Grid in a total amount that is greater than the TP Deliverability for those areas; (b) constrains a quantity of generation in a local area of the grid that is larger than the generation amount identified in the applicable transmission planning process portfolio for the entire portfolio area; or (c) constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

Area Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve an Area Deliverability Constraint.

Area Delivery Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Area Delivery Network Upgrades constructed and owned by the Distribution Provider. The Area Delivery Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

Base Case shall mean data including, but not limited to, base power flow, short circuit, and stability data bases, underlying load, generation, and transmission facility assumptions, contingency lists, including relevant special protection systems, and transmission diagrams used to perform Phase I Interconnection and Phase II Interconnection Studies. The Base Case may

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include Critical Energy Infrastructure Information (as that term is defined by FERC). The Base Case shall include transmission facilities as approved by the Distribution Provider or ISO, as applicable, and Distribution Upgrades and Network Upgrades associated with generating facilities in (iv) below and generating facilities that (i) are directly interconnected to the Distribution System or ISO Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to the Distribution System or an Affected System; or (iv) are not interconnected to the Distribution System or ISO Grid, but are subject to a fully executed generator interconnection agreement (or its equivalent predecessor agreement) or for which an unexecuted generator interconnection agreement (or its equivalent predecessor agreement) has been requested to be filed with FERC.

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

Breaching Party shall mean a Party that is in Breach of the GIA.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

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

Charging Capacity shall mean the capacity provided under the GIA to meet the Charging Demand of a Generating Facility that includes storage, subject to available capacity on the Distribution System and any operating conditions and/or limitations as may be set forth in Appendix C of the GIA.

Charging Demand shall mean the flow of wholesale electric energy from the Distribution System solely to charge the storage component of the Generating Facility from the Distribution System for later redelivery of such energy, net of Generating Facility losses, to the Distribution System. Charging Demand does not include the delivery of energy for purposes that are subject to the Distribution Provider's retail tariff.

Cluster Application Window shall mean a period of time specified by the Distribution Provider in which Interconnection Requests will be accepted for processing under the Cluster Study Process as set forth in Section 4.1 of the GIP.

Cluster Study Process shall mean the interconnection study process set forth in GIP Section 4.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale or storing electricity for later resale, excluding electricity generated or stored during Trial Operation.

Commercial Operation Date of an Electric Generating Unit shall mean the date on which an Electric Generating Unit at a Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the GIA.

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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.

Construction Activities shall mean actions by the Distribution Provider that result in irrevocable financial commitments for the purchase of major electrical equipment or land for Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer that occur after receipt of the appropriate governmental approvals needed for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

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.

Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities shall have the meaning assigned to it in Attachment J of the Tariff. The currently effective Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities is as provided in Attachment J of the Tariff.

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

Delivery Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, other than Reliability Network Upgrades, identified in the Interconnection Studies to relieve constraints on the ISO Grid. Delivery Network Upgrades may be further classified as Local Delivery Network Upgrades or Area Delivery Network Upgrades.

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

Distribution Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the GIA to the extent necessary.

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

Distribution Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Distribution Provider from the Point of Change

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of Ownership to the Point of Interconnection as identified in Appendix A to the GIA, including any modifications, additions or upgrades to such facilities and equipment. Distribution Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Distribution Service shall mean the wholesale distribution service provided under the Tariff.

Distribution System shall mean those non-ISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide Distribution Service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

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

Distribution Upgrades Charge shall mean the monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Distribution Upgrades, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Distribution Upgrades Cost. The Distribution Upgrades Charge is provided in Section 5 of Appendix A to the GIA.

Distribution Upgrades Completion Date shall mean the date upon which the construction of the Distribution Upgrades is complete and such facilities are successfully tested and ready for service.

Distribution Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Upgrades. The Distribution Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

Effective Date shall mean the date on which the GIA 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 or storage device 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

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of a Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Distribution Provider's Distribution System, Distribution Provider's Interconnection Facilities or the electric systems of others to which the Distribution Provider's Distribution System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the GIA to possess black start capability.

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

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

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

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

Full Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that could be as large as its Qualifying Capacity (as defined in the ISO Tariff) and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO.

Generating Facility shall mean Interconnection Customer's Electric Generating Unit(s) used for the production and/or storage for later injection of electricity identified in the 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 Electric Generating Units.

Generator Interconnection Agreement (GIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility processed pursuant to the Cluster Study Process of the Generator Interconnection Procedures, a *pro forma* version of which is set forth in Appendix 5 to the GIP.

Generator Interconnection Procedures (GIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Generating Facility set forth in Attachment I of the Distribution Provider's Tariff.

Generator Interconnection Study Process Agreement shall mean the agreement between the Distribution Customer and the Interconnection Customer for conducting the Interconnection Studies for a proposed Generating Facility under the Cluster Study Process, a *pro forma* version of which is set forth in Appendix 3 of the GIP.

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

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

Group Study shall mean the process whereby more than one Interconnection Request are studied together, instead of individually, for the purpose of conducting one or more of the Interconnection Studies or analyses therein.

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

Initial Synchronization Date shall mean the date upon which the Generating Facility 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 Distribution Provider's Interconnection Facilities to obtain back feed power.

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

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Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the GIA, 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 Distribution Provider's Distribution System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Distribution Provider'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 Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Charge shall mean the monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 5 of Appendix A to the GIA.

Interconnection Facilities Completion Date shall mean the date upon which the construction of the Distribution Provider's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.

Interconnection Facilities Cost shall mean all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Provider's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 5 of Appendix A to the GIA.

Interconnection Financial Security shall have the meaning assigned to it in ~~Section 4.8~~ of the GIP.

Interconnection Handbook shall mean a handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. Distribution Provider'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 GIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this GIA shall govern.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the GIP, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating

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characteristics of, an existing Generating Facility that is interconnected with the Distribution Provider's Distribution System.

Interconnection Service shall mean the service provided by the Distribution Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Distribution Provider's Distribution System and enabling it to receive, or deliver for the Charging Demand, electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the GIA and, if applicable, the Distribution Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Phase I Interconnection Study and the Phase II Interconnection Study described in Section 4.5 and Section 4.6 of the GIP.

Interconnection Study Cycle shall mean all requirements, actions, and respective obligations of the Distribution Provider and Interconnection Customer under the GIP applicable to an Interconnection Request submitted in a particular Cluster Application Window through execution by the parties of a GIA, or submission to FERC by Distribution Provider of an unexecuted GIA pursuant to Section 9 of the GIP.

IRS shall mean the Internal Revenue Service.

ISO shall mean the California Independent System Operator Corporation, a state-chartered, nonprofit, corporation that controls certain transmission facilities of all Participating Transmission Owners and dispatches certain generating units and loads.

ISO Grid shall mean the system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the ISO's operational control.

ISO Tariff shall mean the California Independent System Operator Corporation Operating Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time, and accepted by the FERC.

ISO's Generator Interconnection Procedures (ISO Tariff GIP) shall mean the procedures included in Appendix Y of the ISO Tariff to interconnect a Generating Facility directly to the ISO Grid, as such procedures may be modified from time to time, and accepted by the Commission.

ITCC (Income Tax Component of Contribution) shall have the meaning assigned to it in Attachment J of the Tariff.

Local Deliverability Constraint shall mean a Transmission System operating limit that would be exceeded if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to one or more additional generating facilities interconnecting to the ISO Grid in a specific local area, and that is not an Area Deliverability Constraint.

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Local Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve a Local Deliverability Constraint.

Local Delivery Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Local Delivery Network Upgrades constructed and owned by the Distribution Provider. The Local Delivery Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

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

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

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

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

Network Upgrades shall mean Delivery Network Upgrades and Reliability Network Upgrades.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the GIA or its performance.

Off-Peak Deliverability Assessment shall mean the technical study performed under Section 4.5.4.2.2 of the GIP.

On-Peak Deliverability Assessment shall mean the technical study performed under Section 4.5.4.2.1 of the GIP.

One-Time Cost shall mean all costs determined by the Distribution Provider to be associated with the installation of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, Reliability Network Upgrades, or Delivery Network Upgrades which are not capitalized. The One-Time Cost is provided in Section 5 of Appendix A to the GIA.

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

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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.

Option (A) Generating Facility shall mean a Generating Facility for which the Interconnection Customer has selected Option (A) as the deliverability option under GIP Section 4.6.2.

Option (B) Generating Facility shall mean a Generating Facility for which the Interconnection Customer has selected Option (B) as the deliverability option under GIP Section 4.6.2.

Partial Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that cannot be larger than a specified amount of its Qualifying Capacity (as defined in the ISO Tariff), and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO.

Participating Transmission Owner shall mean an entity which (i) owns, operates, and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities and (ii) has transferred to the ISO operational control of such facilities and/or entitlements to be made part of the ISO Grid.

Party or Parties shall mean Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Phase I Interconnection Study shall mean an engineering study conducted by the Distribution Provider, that evaluates the impact of the proposed interconnection on the safety and reliability of the Distribution System, ISO Grid, and, if applicable, an Affected System. The portion of the study required to evaluate the impacts on the ISO Grid will be coordinated with the ISO and will be completed in a manner consistent with the ISO Tariff GIP. The study shall identify and detail the system impacts that would result if the Generating Facility(ies) were interconnected without identified project modifications or system modifications, as provided in the On-Peak Deliverability Assessment or Off-Peak Deliverability Assessment, and other potential impacts, including but not limited to those identified in the Scoping Meeting as described in the GIP. The study will also identify the approximate total costs of mitigating these impacts, along with an equitable allocation of those costs to Interconnection Customers for their individual Generating Facilities.

Phase II Interconnection Study shall mean an engineering and operational study conducted by the Distribution Provider to determine the Point of Interconnection and a list of facilities (including Distribution Provider's Interconnection Facilities, Network Upgrades, Distribution Upgrades, and Stand Alone Network Upgrades), the estimated cost of those facilities, and the estimated time required to interconnect the Generating Facility(ies) with the Distribution System. The portion of the study required to evaluate the impacts on the ISO Grid

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will be coordinated with the ISO and will be completed in a manner consistent with the ISO Tariff GIP.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the GIA, where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the GIA, where the Interconnection Facilities connect to the Distribution Provider's Distribution System.

Pre-Construction Activities shall mean the actions by the Distribution Provider, other than those required by an Engineering and Procurement Agreement under Section 8 of the GIP, undertaken prior to Construction Activities in order to prepare for the construction of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer, including, but not limited to, preliminary engineering, permitting activities, environmental analysis, or other activities specifically needed to obtain governmental approvals for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

Queue Cluster shall mean a set of Interconnection Requests in an Interconnection Study Cycle processed pursuant to the Cluster Study Process.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the GIA, 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.

Reliability Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, necessary to interconnect one or more Generating Facility(ies) safely and reliably to the ISO Grid, which would not have been necessary but for the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which system operating limits cannot be adequately mitigated through the ISO's congestion management, operating procedures, or special protection systems based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with the Applicable Reliability Council's practice and Applicable Reliability Standards, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.

Reliability Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

Remedial Action Scheme (RAS) shall mean a scheme designed to detect predetermined system conditions and automatically take corrective actions that may include, but are not limited to, adjusting or tripping generation.

Results Meeting shall mean the meeting among the Distribution Provider, the Interconnection Customer, and, if applicable, the ISO and other Affected System operators to discuss the results of the Phase I Interconnection Study as set forth in Section 4.5.7 of the GIP.

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

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

Site Exclusivity Deposit shall mean the cash deposit provided to the Distribution Provider by Interconnection Customers under Section 4.2.1 of the GIP as an option in lieu of demonstrating Site Exclusivity for a valid Interconnection Request and treated in accordance with Section 4.2.1.2 of the GIP.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Distribution Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the GIA.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Distribution Provider's Distribution System, the ISO 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 Distribution Provider's Distribution System, the ISO Grid or on other delivery systems or other generating systems to which the Distribution Provider's Distribution System and Transmission System is directly connected.

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

Tax Security shall mean the Interconnection Customer's provision of security with respect to the Interconnection Customer's tax indemnification obligations, provided in accordance with Article 5.17.3. The Tax Security is provided in Section 5 of Appendix A to the GIA.

TP Deliverability shall mean the capability, measured in MW, of the ISO Grid as modified by transmission upgrades and additions modeled or identified in the annual Transmission Plan to support the interconnection with Full Capacity Deliverability Status or Partial Capacity Deliverability Status of additional Generating Facilities in a specified geographic or electrical area of the ISO Grid.

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

Transmission Plan shall mean the report prepared by the ISO on an annual basis pursuant to Section 24 of the ISO Tariff, which documents the outcome of the ISO's transmission planning process by which the ISO assesses the ISO Grid.

Transmission System shall mean those transmission facilities owned by the Distribution Provider that have been placed under the ISO's Operational Control and are part of the ISO Grid.

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

Uncontrollable Force shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force event does not include acts of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force.

Article 2. Effective Date, Term, and Termination

- 2.1 Effective Date.** This GIA 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. Distribution Provider shall promptly file this GIA 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 GIA shall remain in effect for a period of _____ years from the Effective Date (term specified in individual

agreements to be ten (10) years or such other longer period as the Interconnection Customer may request) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

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

2.3.2 Default. Either Party may terminate this GIA in accordance with Article 17.

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

2.3.4 Notwithstanding Articles 2.3.1 and 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 GIA, which notice has been accepted for filing by FERC, and the Interconnection Customer has fulfilled its termination cost obligations under Article 2.4.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this GIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this GIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Distribution Provider's Interconnection Facilities that have not yet been constructed or installed, Distribution Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Distribution Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Distribution Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Distribution Provider shall promptly refund such amounts to Interconnection

Customer, less any costs, including penalties incurred by Distribution Provider to cancel any pending orders of or return such materials, equipment, or contracts.

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

2.4.2 Distribution Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Distribution Provider 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 GIA, 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 GIA, the Parties will take all appropriate steps to disconnect the Generating Facility from the Distribution 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 GIA or such non-terminating Party otherwise is responsible for these costs under this GIA.

2.6 **Survival.** This GIA 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 GIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this GIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this GIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

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

Article 4. Scope of Service

- 4.1 Interconnection Service.** Interconnection Service allows Interconnection Customer to connect the Generating Facility to the Distribution System and be eligible to deliver, or receive for the Charging Demand, power from the ISO Grid~~the Generating Facility's output~~ using the capacity of the Distribution System ~~to the ISO Grid~~. To the extent Interconnection Customer wants to receive Interconnection Service, Distribution Provider shall construct facilities identified in Appendices A and C that the Distribution Provider is responsible to construct.
- 4.1.1 Distribution Service Implications.** Interconnection Customer will be eligible to deliver~~inject~~ power from the Generating Facility ~~into~~ Distribution Provider's Distribution System or receive power from the Distribution System for the Charging Demand pursuant to the Tariff. The Interconnection Customer may not deliver or receive power over the Distribution Provider's Distribution System absent procuring Distribution Service. The Interconnection Customer must apply for Distribution Service pursuant to Section 15.2 of the Tariff and meet the conditions specified in Section 14 of the Tariff to be eligible for Distribution Service.
- 4.1.2 Transmission Service Implications.** Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver or receive power to or from the ~~output of its~~ Generating Facility to any particular load or resource on the ISO Grid without incurring congestion costs. In the event of transmission constraints on the ISO Grid, Interconnection Customer's Generating Facility shall be subject to the applicable congestion management procedures in the ISO Tariff in the same manner as all other resources. The Interconnection Customer shall be solely responsible for completing all of the necessary arrangements required under the ISO Tariff to be eligible to schedule the output and Charging Demand of its resource.
- 4.2 Provision of Service.** Distribution Provider shall provide Interconnection Service for the Generating Facility at the Point of Interconnection.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this GIA 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 GIA for its compliance therewith. If such Party is a Distribution Provider or Distribution Owner, then that Party shall amend the GIA and submit the amendment to FERC for approval.
- 4.4 No Distribution Service or Transmission Service.** The execution of this GIA does not constitute a request for, nor the provision of, Distribution Service under the Tariff or any transmission service under the ISO Tariff, and does not convey any right to the Interconnection Customer to deliver electricity generated or stored for later injection using the Distribution System.

- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this GIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 9.6.3.
- 4.6 TP Deliverability.** To the extent that an Interconnection Customer is eligible for and has been allocated TP Deliverability pursuant to Section 8.9 of Appendix DD of the ISO Tariff, the Interconnection Customer's retention of such allocated TP Deliverability shall be contingent upon satisfying the obligations set forth in Section 4.6.13 of the GIP. In the event that the Interconnection Customer does not retain allocated TP Deliverability with regard to any portion of the Generating Facility, such portion of the Generating Facility shall be deemed to receive Interconnection Service under this GIA as Energy Only Deliverability Status (as such term is defined in the ISO Tariff).

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

- 5.1 Options.** Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option, Alternate Option, or, if eligible in accordance with ISO Tariff requirements, Merchant Option, set forth below for completion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades as set forth in Appendix A, Interconnection Facilities, Distribution Upgrades, and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.
- 5.1.1 Standard Option.** Distribution Provider shall design, procure, and construct Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, using Reasonable Efforts to complete Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades by the dates set forth in Appendix B, Milestones. Distribution Provider 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 Distribution Provider reasonably expects that it will not be able to complete Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades by the specified dates, Distribution Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.
- 5.1.2 Alternate Option.** If the dates designated by Interconnection Customer are acceptable to Distribution Provider, Distribution Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Distribution Provider's Interconnection Facilities and Distribution Upgrades by the designated dates.

If Distribution Provider subsequently fails to complete Distribution Provider's Interconnection Facilities and Distribution Upgrades 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 or operation in charging mode, 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; Distribution Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the ISO refuses to grant clearances to install equipment.

- 5.1.3 Option to Build.** If the dates designated by Interconnection Customer are not acceptable to Distribution Provider, Distribution Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Distribution Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option. This provision only applies to Generating Facilities larger than 20 MW.
- 5.1.4 Negotiated Option.** If Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, Interconnection Customer shall so notify Distribution Provider within thirty (30) Calendar Days, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer) pursuant to which Distribution Provider is responsible for the design, procurement and construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Distribution Provider shall assume responsibility for the design, procurement and construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades pursuant to 5.1.1, Standard Option.
- 5.1.5 Merchant Option.** In addition to any Option to Build set forth in Article 5.1.3 of this GIA, an Interconnection Customer having an Option (B) Generating Facility may elect, pursuant to the ISO Tariff, to have a party other than the Distribution Provider construct some or all of the Local Delivery Network Upgrades and Area

Delivery Network Upgrades for which the Interconnection Customer has the obligation to fund and which are not subject to reimbursement. Such Local Delivery Network Upgrades and Area Delivery Network Upgrades will be constructed and incorporated into the ISO Grid pursuant to the provisions for merchant transmission facilities in ISO Tariff Sections 24.4.6.1 and 36.11.

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

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

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

(3) Distribution Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Distribution Provider a schedule for construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Distribution Provider;

(5) at any time during construction, Distribution Provider shall have the right to gain unrestricted access to Distribution Provider'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 Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Distribution Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades;

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

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

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Distribution Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Distribution Provider;

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

(11) Interconnection Customer shall deliver to Distribution Provider "as-built" drawings, information, and any other documents that are reasonably required by Distribution Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Distribution Provider.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Distribution Provider 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 Distribution Provider to Interconnection Customer in the event that Distribution Provider does not complete any portion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, in the aggregate, for which Distribution Provider 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades for which Distribution Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Distribution Provider to Interconnection Customer as just compensation for the damages caused to 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 GIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Distribution Provider's failure to meet its schedule.

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

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with Applicable Reliability Standards, the guidelines and procedures established by the Applicable Reliability Council, and in accordance with the provisions of Section 4.6.5.1 of the ISO Tariff. Distribution Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Generating Facility. If the Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Distribution Provider and Distribution Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators of the induction type.

5.5 Equipment Procurement. If responsibility for construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades is to be borne by Distribution Provider, then Distribution Provider shall commence design of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Distribution Provider has completed the Interconnection Studies pursuant to the Generator Interconnection Study Process Agreement;

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

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

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- 5.6 Construction Commencement.** Distribution Provider shall commence construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades;
 - 5.6.3** Distribution Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
 - 5.6.4** Interconnection Customer has provided security to Distribution Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7 Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Distribution Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Distribution Provider of such later date upon which the completion of Distribution Provider's Interconnection Facilities will be required.
- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Distribution Provider's Distribution System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9 Limited Operation.** If any of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Generating Facility, Distribution Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this GIA. Distribution Provider shall permit Interconnection Customer to operate the Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

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

5.10.1 Interconnection Customer's Interconnection Facility Specifications.

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Distribution Provider 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. Distribution Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Distribution Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

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

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

5.10.4 Interconnection Customer to Meet Requirements of the Distribution Provider's Interconnection Handbook. The Interconnection Customer shall comply with the Distribution Provider's Interconnection Handbook. In the event

of a conflict between the terms of this GIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this GIA shall govern.

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

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Distribution Provider will obtain control for operating and maintenance purposes of Distribution Provider'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 Generating Facility with the Distribution System; (ii) operate and maintain the Generating Facility, the Interconnection Facilities and the Distribution System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this GIA. 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 Distribution Provider or Distribution Owner's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Distribution Provider or Distribution Owner, Distribution Provider or Distribution Owner shall at 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 Distribution Provider or Distribution Owner's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades upon such property.

- 5.14 Permits.** Distribution Provider or Distribution Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Distribution Provider or Distribution Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Distribution Provider's own, or an Affiliate's generation.
- 5.15 Early Construction of Base Case Facilities.** Interconnection Customer may request Distribution Provider to construct, and Distribution Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Distribution Upgrades or Network Upgrades required for Interconnection Customer to be interconnected to the Distribution System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.
- 5.16 Suspension.** Interconnection Customer reserves the right, upon written notice to Distribution Provider, to suspend at any time all work by Distribution Provider associated with the construction and installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades required under this GIA, other than Network Upgrades identified in the Phase II Interconnection Study as common to multiple generating facilities, with the condition that Distribution System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Distribution Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Distribution Provider (i) has incurred pursuant to this GIA 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 Distribution System and Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Distribution Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Distribution Provider shall obtain Interconnection Customer's authorization to do so.

Network Upgrades common to multiple generating facilities, and to which the Interconnection Customer's right of suspension shall not extend, consist of Network Upgrades identified for:

- i. Generating facilities which are the subject of all Interconnection Requests made prior to the Interconnection Customer's Interconnection Request; or
- ii. Generating facilities which are the subject of Interconnection Requests within the Queue Cluster where the Interconnection Customer's request for Full Capacity Deliverability Status or Partial Capacity Deliverability Status is assessed; or

- iii. Generating facilities that are the subject of Interconnection Requests that were made after the Interconnection Customer's Interconnection Request but no later than the date on which the Interconnection Customer's Phase II Interconnection Study report was issued, and have been modeled in the Base Case at the time the Interconnection Customer seeks to exercise its suspension rights under this section.

Distribution Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Distribution Provider required under this GIA pursuant to this Article 5.16, and has not requested Distribution Provider to recommence the work or has not itself recommenced work required under this GIA on or before the expiration of three (3) years following commencement of such suspension, this GIA shall be deemed terminated and the Interconnection Customer's responsibility for costs will be determined in accordance with Article 2.4 of this GIA. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Distribution Provider, if no effective date is specified. The maximum three-year period shall apply to the projected Commercial Operation Date for the Generating Facility identified in the initial Interconnection Request, without regard to any subsequent changes to the dates set forth in the Interconnection Request, without regard to the milestone schedule dates set forth in Appendix B hereto or any changes to those dates, and without regard to any other scheduled dates for action affecting the Generating Facility, Interconnection Facilities, or Network Upgrades or any changes to those dates.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Distribution Provider for the installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an 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 ~~2016-362001-82 and IRS Notice 88-129~~, Interconnection Customer represents and covenants that (i) ownership of the electricity generated ~~or delivered from storage at the Generating Facility at the Generating Facility~~ will pass to another party prior to the transmission of the electricity on the Distribution System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Distribution Provider for Distribution Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Distribution Provider's Interconnection Facilities that is a "dual-use

intertie,” within the meaning of IRS Notice ~~2016-3688-129~~, is reasonably expected to carry only a de minimis amount of electricity in the direction of the 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 ~~2016-3688-129~~. 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 Distribution Provider’s request, Interconnection Customer shall provide Distribution Provider with a report from an independent engineer confirming its representation in clause (iii), above. Distribution Provider represents and covenants that the cost of Distribution Provider’s Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Distribution Provider. Notwithstanding Article 5.17.1,

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

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

Interconnection Customer shall reimburse Distribution Provider 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 Distribution Provider 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 (10) year testing period and the applicable statute of limitation, as it may be extended by Distribution Provider 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. 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 Interconnection Customer will pay Distribution Provider, in addition to the amount paid for the Interconnection Facilities, Distribution Upgrades, and Network Upgrades, an amount equal to (1) the current taxes imposed on Distribution Provider ("Current Taxes") on the excess of (a) the gross income realized by Distribution Provider as a result of payments or property transfers made by Interconnection Customer to Distribution Provider under this GIA (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 Distribution Provider 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 Distribution Provider's composite federal and state tax rates at the time the payments or property transfers are received and Distribution Provider 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 Distribution Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Distribution Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Distribution Owner pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Distribution Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Distribution Provider under this GIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Distribution Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Distribution Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that

authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Distribution Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If, within ten (10) years from the date on which the relevant Distribution Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, or (ii) a "disqualification event" occurs within the meaning of IRS Notice 2016-3688-129, ~~or (iii) this GIA terminates and Distribution Provider retains ownership of the Interconnection Facilities, Distribution Upgrades, and Network Upgrades~~, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Distribution Provider in the form of a nonrefundable cash payment, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 2016-3690-60.

5.17.7 Contests. In the event any Governmental Authority determines that Distribution Provider's receipt of payments or property constitutes income that is subject to taxation, Distribution Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Distribution Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Distribution Provider 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. Distribution Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Distribution Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Distribution Provider on a periodic basis, as invoiced by Distribution Provider, Distribution Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Distribution Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Distribution Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected

under the terms of the preceding sentence. The settlement amount shall be calculated on a fully-grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Distribution Provider for the tax at issue in the contest.

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

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

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

(iii) with respect to any such taxes paid by Distribution Provider, any refund or credit Distribution Provider 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 Distribution Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Distribution Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Distribution Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Distribution Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Distribution Provider'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, Distribution Upgrades, and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

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

5.17.10 Distribution Owners Who Are Not Distribution Providers. If Distribution Provider is not the same entity as the Distribution Owner, then (i) all references in this Article 5.17 to Distribution Provider shall be deemed also to refer to and to include the Distribution Owner, as appropriate, and (ii) this GIA shall not become effective until such Distribution Owner shall have agreed in writing to assume all of the duties and obligations of Distribution Provider under this Article 5.17 of this GIA.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this GIA is intended to adversely affect any Distribution Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party 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 Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party 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 Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Distribution Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Distribution System, Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

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 GIA and Good Utility Practice.

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

5.19.4 Permitted Reductions in Output Capacity (MW Generating Capacity) of the Generating Facility. An Interconnection Customer may reduce the MW capacity of the Generating Facility by up to five percent (5%) for any reason during the time period between the Effective Date of this GIA and the Commercial Operation Date. The five percent (5%) value shall be established by reference to the MW generating capacity as set forth in Appendix C.

The Distribution Provider will consider an Interconnection Customer's request for a reduction in the MW generating capacity greater than five percent (5%) under limited conditions where the Interconnection Customer reasonably demonstrates to the Distribution Provider that the MW generation capacity reduction is warranted due to reasons beyond the control of the Interconnection Customer. Reasons beyond the control of the Interconnection Customer shall consist of any one or more of the following:

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- (i) The Interconnection Customer's failure to secure required permits and other governmental approvals to construct the Generating Facility at its total MW generating capacity as specified in Appendix C after the Interconnection Customer has made diligent effort to secure such permits or approvals;
- (ii) The Interconnection Customer's receipt of a written statement from the permitting or approval authority (such as a draft environmental impact report) indicating that construction of a Generating Facility of the total MW generating capacity size specified in Appendix C will likely result in disapproval due to a significant environmental or other impact that cannot be mitigated;
- (iii) Failure to obtain the legal right of use of the full site acreage necessary to construct and/or operate the total MW generating capacity size for the entire Generating Facility specified in Appendix C, after the Interconnection Customer has made a diligent attempt to secure such legal right of use. This subsection (iii) applies only where an Interconnection Customer has previously demonstrated and maintained its demonstration of Site Exclusivity prior to invoking this subsection as a reason for downsizing.

If relying on subsection (i) or (ii) above, in order to be eligible for a capacity reduction greater than five percent (5%), the Interconnection Customer must also demonstrate to the Distribution Provider that a reduction of MW generating capacity of the Generating Facility to the reduced size that the Interconnection Customer proposes will likely overcome the objection of the permitting/approving authority or otherwise cause the permitting/approving authority to grant the permit or approval. The Interconnection Customer may satisfy this demonstration requirement by submitting to the Distribution Provider either a writing from the permitting/approving authority to this effect or other evidence of a commitment by the permitting/approving authority that the MW capacity reduction will remove the objections of the authority to the permit/approval application.

If relying on subsection (iii) above, the Interconnection Customer must also reasonably demonstrate to the Distribution Provider that the proposed reduced-capacity Generating Facility can be constructed on the site over which the Interconnection Customer has been able to obtain legal rights of use.

Upon such demonstration to the reasonable satisfaction of the Distribution Provider, the Distribution Provider will permit such reduction. No permitted reduction of MW generation capacity under this Article shall operate to diminish the Interconnection Customer's cost responsibility for Network Upgrades or to diminish the Interconnection Customer's right to repayment for financing of Network Upgrades under this GIA.

5.20 Annual Reassessment Process. In accordance with Section 7.4 of Appendix DD of the ISO Tariff, the ISO will perform an annual reassessment, as part of a Queue Cluster interconnection study cycle, in which it will update certain base case data prior to beginning the Phase II Interconnection Studies. As set forth in Section 7.4 of Appendix DD of the ISO Tariff, the ISO may determine through this assessment that Delivery Network Upgrades already identified and included in executed generator interconnection agreements should be modified in order to reflect the current circumstances of interconnection customers in the queue, including any withdrawals therefrom, and any additions and upgrades approved in the ISO's most recent transmission planning process cycle. To the extent that this determination modifies the scope or characteristics of, or the cost responsibility for, any Delivery Network Upgrades set forth in Appendix A to this GIA, such modification(s) will be reflected through an amendment to this GIA.

Article 6. Testing and Inspection

- 6.1 Pre-Commercial Operation Date Testing and Modifications.** Prior to the Commercial Operation Date, Distribution Provider shall test Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades and Interconnection Customer shall test the Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. The Interconnection Customer shall not commence initial parallel operation of an Electric Generating Unit with the Distribution Provider's Distribution System until the Distribution Provider provides prior written approval as set forth in Appendix B, Milestones, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit. Interconnection Customer shall generate or receive test energy at the Generating Facility only if it has arranged for the delivery or receipt 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 Generating Facility with the Distribution System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to:
- (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers;
 - (ii) review the settings of the other Party's System Protection Facilities and other protective

equipment; and (iii) review the other 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 GIA.

Article 7. Metering

- 7.1 General.** Each Party shall comply with any Applicable Reliability Standards and the Applicable Reliability Council requirements. The Interconnection Customer shall comply with the provisions of the ISO Tariff regarding metering, including Section 10 of the ISO Tariff. Unless otherwise agreed by the Parties, Distribution Provider may install additional Metering Equipment at the Point of Interconnection prior to any operation of the Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Generating Facility shall be measured at or, at Distribution Provider's option, compensated to, the Point of Interconnection. Interconnection Customer's access to meter data shall be provided in accordance with the ISO Tariff. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check the ISO-poled meters or Distribution Provider'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 GIA, except in the case that no other means are available on a temporary basis at the option of the Distribution Provider. The check meters shall be subject at all reasonable times to inspection and examination by Distribution Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.
- 7.3 Distribution Provider Retail Metering.** Distribution Provider may install retail revenue quality meters and associated equipment, pursuant to the Distribution Provider's applicable retail tariffs. Metering for Generating Facilities which include storage, and which utilize the Distribution System for charging the storage device pursuant to the Tariff, shall be configured to meter the retail load separately from the Charging Demand (as required in Article 7.4), and may require, but not be limited to, the installation of multiple meters and associated equipment as specified in Appendix A of the GIA.

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7.4 Requirements for Storage. Distribution Provider shall, at the Interconnection Customer's expense, install, own, operate, test and maintain meters and associated metering equipment required to meter the Charging Demand of Generating Facilities that include storage.

Article 8. Communications

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

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Distribution Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Distribution Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Distribution Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Distribution Provider.

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

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

Article 9. Operations

- 9.1 General.** Each Party shall comply with Applicable Reliability Standards and the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.
- 9.2 Control Area Notification.** At least three months before Initial Synchronization Date, Interconnection Customer shall notify Distribution Provider in writing of the Control Area in which the Generating Facility will be located. If Interconnection Customer elects to locate the Generating Facility in a Control Area other than the Control Area in which the Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this GIA, 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 Generating Facility in the other Control Area.
- 9.3 Distribution Provider Obligations.** Distribution Provider shall cause the Distribution System and Distribution Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this GIA. Distribution Provider may provide operating instructions to Interconnection Customer consistent with this GIA and Distribution Provider's operating protocols and procedures as they may change from time to time. Distribution Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** Interconnection Customer shall at its own expense operate, maintain and control the Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this GIA. Interconnection Customer shall operate the Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this GIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this GIA.
- 9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Generating Facility to Distribution Provider's Distribution System.
- 9.6 Reactive Power.**
- 9.6.1 Power Factor Design Criteria.**
- 9.6.1.1 Synchronous Generation.** Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of

0.95 leading to 0.95 lagging, unless the Distribution Provider has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation, or equivalent location when there is not a generator substation, at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established a different power factor range that applies to all non-synchronous generators in the Control Area on a comparable basis. This power factor range standard shall be dynamic and can be met 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet submitted the initial posting of Interconnection Financial Security as of the effective date of the Final Rule establishing this requirement (Order No. 827).

Newly interconnecting non-synchronous generators that have submitted the initial posting of Interconnection Financial Security and have not executed a GIA, or requested the filing of an unexecuted GIA, as of the effective date of the Final Rule, will be required to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, if an Interconnection Study shows that such a requirement is necessary to ensure safety or reliability.

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Generating Facility with the Distribution System, Distribution Provider shall require Interconnection Customer to operate the Generating Facility to produce or absorb reactive power within the design limitations of the Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Distribution Provider's voltage schedules shall treat all sources of reactive power interconnected with the Distribution System in an equitable and not unduly discriminatory manner and consistent with the applicable requirements of the ISO Tariff. Distribution Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Distribution System and Transmission System. Interconnection Customer shall operate the Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the Distribution Provider and the ISO.

9.6.2.1 Governors and Regulators. Whenever the Generating Facility is operated in parallel with the Distribution System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Generating Facility with its speed governors and voltage regulators in automatic operation. If the Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Distribution Provider and the ISO, and ensure that the Electric Generating Unit operates as specified in Article 9.6.2 through manual operation and that such Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Generating Facility to disconnect automatically or instantaneously from the Distribution System or trip any generating unit comprising the 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. Payment to Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Generating Facility when the ISO requests Interconnection Customer to operate its Generating Facility outside the range specified in Article 9.6.1 will be made by the ISO in accordance with the applicable provisions of the ISO Tariff.

9.7 Outages and Interruptions.

9.7.1 Outages.

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

9.7.1.2 Outage Schedules. Interconnection Customer shall submit its planned maintenance schedules for the Generating Facility to Distribution Provider for a minimum of a rolling twenty-four month period. Interconnection

Customer shall update its planned maintenance schedules as necessary. Distribution Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Distribution System and Transmission System. Distribution Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Distribution Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities. Distribution Provider shall have no obligation to pay Interconnection Customer any costs the Interconnection Customer incurs as the result of being directed by the ISO to reschedule maintenance.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the 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.

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

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Distribution Provider shall notify

Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

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

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Generating Facility, Interconnection Facilities, and the Distribution System and Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Frequency and Voltage Ride Through. The Interconnection Customer shall ensure “frequency ride through” capability and “voltage ride through” capability of the Generating Facility. The Interconnection Customer shall enable these capabilities such that the Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Distribution Provider and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to Article 6 of this GIA. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Control Area on a comparable basis.

9.7.4 System Protection and Other Control Requirements.

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

9.7.4.2 Each Party’s protection facilities shall be designed and coordinated with other systems in accordance with Applicable Reliability Standards, Applicable Reliability Council criteria, and Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party'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 Interconnection Customer's units.

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

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent 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 Distribution Provider, including, if applicable, the requirements of the Distribution Provider'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 Distribution Provider's Interconnection Handbook, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Generating Facility to any short circuit occurring on the Distribution System not otherwise isolated by Distribution Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Distribution System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Generating Facility and the Distribution System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Generating Facility and Interconnection Customer's other equipment if conditions on the Distribution System could adversely affect the Generating Facility.

- 9.7.6 Power Quality.** Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard or any alternative Applicable Reliability Standard or Applicable Reliability Council standard. In the event of a conflict among ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, or any alternative Applicable Reliability Standard or Applicable Reliability Council standard, the alternative Applicable Reliability Standard or Applicable Reliability Council standard shall control.
- 9.8 Switching and Tagging Rules.** Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.
- 9.9 Use of Interconnection Facilities by Third Parties.**
- 9.9.1 Purpose of Interconnection Facilities.** Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Generating Facility to the Distribution 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 Distribution Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Distribution Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Distribution Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.
- 9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Generating Facility or Distribution Provider's Distribution System and Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography,

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protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

9.11 Limitations on Charging for Storage. Generating Facilities that include storage may be subject to limits on the amount of Charging Capacity, the times during which the storage component may charge from the Distribution System, or other limitations on Charging Demand as specified in Appendix C of the GIA.

Article 10. Maintenance

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

Article 11. Performance Obligation

- 11.1 Interconnection Customer Interconnection Facilities.** Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer

Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

- 11.2 Distribution Provider's Interconnection Facilities.** Distribution Provider or Distribution Owner shall design, procure, construct, install, own and/or control the Distribution Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer. The Interconnection Customer shall be responsible for funding all costs related to Distribution Provider's Interconnection Facilities. The costs set forth in Appendix A are estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for the Distribution Provider's Interconnection Facilities. The Interconnection Customer shall be responsible for the actual costs related to Distribution Provider's Interconnection Facilities.
- 11.3 Network Upgrades and Distribution Upgrades.** Distribution Provider or Distribution Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, except for any Stand Alone Network Upgrades and Merchant Network Upgrades (as such term is defined in the ISO Tariff).
- 11.3.1 Distribution Upgrades.** The Interconnection Customer shall be responsible for funding its share of the costs related to Distribution Upgrades. The costs set forth in Appendices A and G are estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for Distribution Upgrades. The Interconnection Customer shall be responsible for the actual costs of its share of the costs related to Distribution Upgrades.
- 11.3.2 Reliability Network Upgrades.** The Interconnection Customer shall be responsible for funding its share of the costs of the Reliability Network Upgrades up to the maximum cost responsibility limit established for the Interconnection Customer in accordance with Section 4.6 of the GIP for such facilities. The costs set forth in Appendices A and G are estimates only. The Interconnection Customer shall be responsible for its share of the actual costs of Reliability Network Upgrades up to its maximum cost responsibility limit. The Interconnection Customer may be entitled to repayment of all or a portion of the costs it funded for Reliability Network Upgrades in accordance with Article 11.4.1.
- 11.3.3 Local Delivery Network Upgrades.** If the Interconnection Customer has an Option (A) Generating Facility, or if the Interconnection Customer has an Option (B) Generating Facility and did not select the Merchant Option for the Local Delivery Network Upgrades, then the Interconnection Customer shall be responsible for funding its share of the costs of Local Delivery Network Upgrades up to the maximum cost responsibility limit established for the Interconnection

Customer in accordance with Section 4.6 of the GIP for such facilities. The costs set forth in Appendices A and G are estimates only. The Interconnection Customer shall be responsible for its share of the actual costs of Local Delivery Network Upgrades up to its maximum cost responsibility limit. The Interconnection Customer may be entitled to repayment for the costs it funded for Local Delivery Network Upgrades in accordance with Article 11.4.1.

11.3.4 Area Delivery Network Upgrades. If the Interconnection Customer has an Option (A) Generating Facility, the Interconnection Customer will not be responsible for funding the costs of any Area Delivery Network Upgrades. If the Interconnection Customer has an Option (B) Generating Facility and did not select the Merchant Option for the Area Delivery Network Upgrades, then the Interconnection Customer shall be responsible for funding the costs of Area Delivery Network Upgrades. The costs set forth in Appendices A and G are advisory estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for Area Delivery Network Upgrades. The Interconnection Customer shall be responsible for the actual costs of Area Delivery Network Upgrades. The Interconnection Customer will not be entitled to repayment for the costs it funded for Area Delivery Network Upgrades in accordance with Article 11.4.1.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. An Interconnection Customer in Queue Cluster 8 or earlier may be entitled, in accordance with this Article 11.4.1, to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades commencing on the Commercial Operation Date of its Generating Facility.

An Interconnection Customer in Queue Cluster 9 or later may be entitled, in accordance with this Article 11.4.1, to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service on or before the Commercial Operation Date of its Generating Facility, commencing on the Commercial Operation Date of its Generating Facility. Repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service after the Commercial Operation Date of its Generating Facility shall, for each of these Network Upgrades, commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) ninety (90) Calendar Days after the Network Upgrade is placed into service.

Interconnection Customer may be entitled to a cash repayment based on the amount paid to Distribution Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, as follows:

- a) Reliability Network Upgrades.** The Interconnection Customer shall be entitled to a repayment of the amount the Interconnection Customer paid to the Distribution Provider for Reliability Network Upgrades as set forth in Appendix A and G, up to a maximum of \$60,000 per MW of Generating Facility capacity. For purposes of this determination, the Generating Facility capacity will be based on the capacity of the Interconnection Customer's Generating Facility at the time it achieves Commercial Operation. However, to the extent that such repayment does not cover all of the costs of Interconnection Customer's Reliability Network Upgrades, the Interconnection Customer may receive Congestion Revenue Rights (as such term is defined in the ISO Tariff) from the ISO in accordance with the ISO Tariff for that portion of its Reliability Network Upgrades that are not covered by cash repayment.
- b) Local Delivery Network Upgrades.**
- i. If the Interconnection Customer has an Option (A) Generating Facility, the Interconnection Customer shall be entitled to a repayment equal to the total amount the Interconnection Customer paid to the Distribution Provider for the costs of Local Delivery Network Upgrades.
 - ii. If the Interconnection Customer has an Option (B) Generating Facility and has been allocated TP Deliverability and continues to be eligible to retain such TP Deliverability pursuant to Appendix DD of the ISO Tariff, the Interconnection Customer shall be entitled to repayment of a portion of the total amount paid to the Distribution Provider for the costs of Local Delivery Network Upgrades. The repayment amount shall be determined by dividing the amount of TP Deliverability received by the amount of TP Deliverability requested by the Interconnection Customer, and multiplying that percentage by the total amount paid to the Distribution Provider by the Interconnection Customer for Local Delivery Network Upgrades. However, the Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for that portion of its Local Delivery Network Upgrades that are not covered by cash repayment.
 - iii. If the Interconnection Customer has an Option (B) Generating Facility and has not been allocated any TP Deliverability pursuant to Appendix DD of the ISO Tariff, the Interconnection Customer shall not be entitled to repayment of the amount paid to the Distribution Provider for the costs of Local Delivery Network Upgrades. However, the Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for the

costs of Local Delivery Network Upgrades that are not covered by cash repayment.

- c) **Area Delivery Network Upgrades.** The Interconnection Customer shall not be entitled to repayment of the amount paid to the Distribution Provider for the costs of Area Delivery Network Upgrades. However, the Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for the costs of Area Delivery Network Upgrades that are not covered by cash repayment.

Any repayment for Reliability Network Upgrades and Local Delivery Network Upgrades, as specified above, will be paid to the Interconnection Customer by the Distribution Provider on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Distribution Provider's Tariff and Affected System's Tariff for transmission services with respect to the Generating Facility. 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 pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Distribution Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Distribution Provider and Affected System Operator take one of the following actions no later than five years from the applicable date as provided for in this Article 11.4.1: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Distribution Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the applicable commencement date.

If the Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Distribution Provider and Affected System Operator 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. Unless Distribution Provider provides, under the GIA, for the repayment of amounts advanced to Affected

System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this GIA, 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 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 Generating Facility.

11.5 Provision of Interconnection Financial Security. The Interconnection Customer is obligated to provide all necessary Interconnection Financial Security required under Section 4.8 of the GIP in a manner acceptable under Section 4.8 of the GIP.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due 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 GIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within twelve (12) months after completion of the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades, Distribution Provider shall provide an invoice of the final cost of the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Distribution Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this GIA.

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

Article 13. Emergencies

13.1 Definition. "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Distribution System, Distribution Provider's Interconnection Facilities or the Transmission Systems of others to which the Distribution System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the 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 GIA to possess black start capability.

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

13.3 Notice. Distribution Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Distribution Provider's Interconnection Facilities, Distribution System or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Distribution Provider promptly when it becomes aware of an Emergency Condition that affects the Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Distribution System, Transmission System or Distribution Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Distribution Provider'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.

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

13.5 Distribution Provider Authority.

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

Distribution Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Generating Facility or Interconnection Customer's Interconnection Facilities. Distribution Provider may, on the basis of technical considerations, require the Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Distribution Provider's operating instructions concerning Generating Facility real power and reactive power output within the manufacturer's design limitations of the 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. Distribution Provider may reduce Interconnection Service or disconnect the Generating Facility or 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 Distribution Provider can schedule the reduction or disconnection in advance, Distribution Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Distribution Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Distribution

Provider. 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 Generating Facility, the Interconnection Facilities, and the Distribution System to their normal operating state as soon as practicable consistent with Good Utility Practice.

- 13.6 Interconnection Customer Authority.** Consistent with Good Utility Practice and the GIA and the GIP, Interconnection Customer may take actions or inactions with regard to the Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Generating Facility or 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 Distribution System and Distribution Provider's Interconnection Facilities. Distribution Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.
- 13.7 Limited Liability.** Neither Party shall be liable to the other 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 GIA 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 GIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, 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 GIA 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 GIA 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 GIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this GIA by giving five (5) Business Days written notice prior to the effective date of the change.

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

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

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party 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. Uncontrollable Force

16.1 Uncontrollable Force.

16.1.1 Economic hardship is not considered an Uncontrollable Force event.

16.1.2 Neither 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 Uncontrollable Force. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of an Uncontrollable Force shall give notice and the full particulars of such Uncontrollable Force 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 Uncontrollable Force, the time and date when the Uncontrollable Force occurred and when the Uncontrollable Force 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 an Uncontrollable Force as defined in this GIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party 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 non-breaching Party shall have the right to declare a Default and terminate this GIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this GIA, 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 GIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this GIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person 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 Person harmless under this Article 18, the amount owing to

the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

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

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

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

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

18.3 Insurance. As indicated below, the designated Party shall, at its own expense, maintain in force throughout the period of this GIA, and until released by the other Party, 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:

18.3.1 Workers' Compensation Insurance and Employers' Liability. The Distribution Provider and the Interconnection Customer shall maintain such coverage from the commencement of any Construction Activities providing statutory benefits for workers compensation coverage and coverage amounts of no less than one million dollars (\$1,000,000) for employer's liability for each employee for bodily injury by accident and one million dollars (\$1,000,000) for each employee for bodily injury by disease in accordance with the laws and regulations of the state in which the Point of Interconnection is located. The Distribution Provider shall provide the Interconnection Customer with evidence of such insurance coverage within thirty (30) Calendar Days of any request by the Interconnection Customer. The Interconnection Customer and contractor or any other person acting on Interconnection Customer's behalf shall provide evidence of such insurance thirty (30) Calendar Days prior to entry by any employee or contractor or other person acting on the Interconnection Customer's behalf onto any construction site to perform any work related to the Interconnection Facilities or Generating Facility.

18.3.2 Commercial General Liability Insurance. The Distribution Provider and the Interconnection Customer shall maintain commercial general liability insurance coverage commencing within thirty (30) Calendar Days of the Effective Date of this GIA, including coverage for premises and operations, bodily injury (including death), personal injury, property damage, products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, and (i) liability of Distribution Provider and the Interconnection Customer that would be imposed without the GIA, or (ii) liability assumed by the Distribution Provider and the Interconnection Customer in a contract or agreement that is an "insured contract" under commercial general liability insurance policy. Such insurance shall include no cross liability exclusions or separation of insured clause endorsement exclusions, with minimum limits of one million dollars (\$1,000,000) per occurrence/one million dollars (\$1,000,000) aggregate. If the activities of the Interconnection Customer are being conducted through the actions of an Affiliate, then the Interconnection Customer may satisfy the insurance requirements of this Article 18.3.2 by providing evidence of insurance coverage carried by such Affiliate and showing the Distribution Provider as an additional insured only with respect to the GIA, together with the Interconnection Customer's written representation to the Distribution Provider that the insured Affiliate is conducting all of the necessary pre-construction work. Within thirty (30) Calendar Days prior to the entry of any

person on behalf of the Interconnection Customer onto any construction site to perform work related to the Interconnection Facilities or Generating Facility, the Interconnection Customer shall replace any evidence of Affiliate insurance with evidence of such insurance carried by the Interconnection Customer, naming the Distribution Provider as additional insured only with respect to the GIA.

18.3.3 Business Automobile Liability Insurance. Prior to the entry of any vehicles on any construction site in connection with work done by or on behalf of the Interconnection Customer, the Interconnection Customer shall provide evidence of 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. The Interconnection Customer shall include the Distribution Provider as an additional insured with respect to the GIA on any such policies.

18.3.4 Excess Liability Insurance. Commencing at the time of entry of any person on its behalf upon any construction site for the Distribution Upgrades, Interconnection Facilities, or Generating Facility, the Distribution Provider and the Interconnection Customer shall maintain excess liability insurance over and above the Employers' Liability, Commercial General Liability, and Business Automobile Liability Insurance coverage, with a minimum limit of one million dollars per MW, of Generating Facility capacity, rounded up to the nearest MW, per occurrence, up to a maximum of twenty million dollars (\$20,000,000) per occurrence/twenty million dollars (\$20,000,000) aggregate. Such insurance carried by the Distribution Provider shall include the Interconnection Customer as an additional insured with respect to the GIA, and such insurance carried by the Interconnection Customer shall include the Distribution Provider as an additional insured with respect to the GIA. The requirements of Article 18.3.2 and 18.3.4 may be met by any combination of general and excess liability insurance.

18.3.5 The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies shall include the other Party identified in the articles above, its parent, their subsidiaries, 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 GIA against the Other Party Group. If any Party can reasonably demonstrate that coverage policies containing provisions for insurer waiver of subrogation rights, or advance notice are not commercially available, then the Parties shall meet and confer and mutually determine to (i) establish replacement or equivalent terms in lieu of subrogation or notice or (ii) waive the requirements that coverage(s) include such subrogation provision or require advance written notice from such insurers.

18.3.6 The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies shall contain provisions that

specify that the policies are primary and non-contributory. Each Party shall be responsible for its respective deductibles or self-insured retentions.

18.3.7 The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess 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 GIA, which coverage may be in the form of extended reporting period coverage if agreed by the Parties.

18.3.8 [Not Used.]

18.3.9 Thirty (30) Calendar Days prior to the start of any work at the construction site related to Interconnection Facilities or Generating Facility under this GIA, 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 a certificate of insurance for all insurance required in this GIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure (a) to meet the minimum insurance requirements of Article 18.3.1, to the extent that it maintains a self-insurance program and is a qualified self-insurer within the state in which the Point of Interconnection is located, under the laws and regulations of such state; and (b) to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.9 to the extent it maintains a self-insurance program; provided that, such Party is organized under the laws of the United States or a political subdivision thereof and such Party's rating for its senior unsecured, long-term debt (not supported by third party credit enhancements) or if such Party does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such Party by Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor ("S&P") or Moody's Investor Services, Inc. or its successor ("Moody's") is (i) if rated by S&P and Moody's is rated at least "BBB-" by S&P and "Baa3" by Moody's, or (ii) if rated by only one of S&P or Moody's, rated at least "BBB-" by S&P or "Baa3" by Moody's, and (iii) that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.9. For any period of time that a Party's senior unsecured, long-term debt is unrated by S&P or Moody's, or its unsecured long-term debt or the rating assigned to such Party does not meet the requirements in (i) or (ii), 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 Party 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 greater than \$25,000, including within the scope of coverage of such insurance whether or not such coverage is sought.

Article 19. Assignment

19.1 Assignment. This GIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this GIA 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 GIA; and provided further that Interconnection Customer shall have the right to assign this GIA, without the consent of Distribution Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Interconnection Customer will promptly notify Distribution Provider of any such assignment. Any financing arrangement entered into by 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 Distribution Provider of the date and particulars of any such exercise of assignment right(s), including providing the Distribution Provider 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 GIA 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 GIA 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 GIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Distribution Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

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

Article 22. Confidentiality

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

and pricing, and any information supplied by either of the Parties to the other prior to the execution of this GIA.

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

If requested by either Party, the other Party 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 GIA, and for a period of three (3) years after the expiration or termination of this GIA, 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 GIA; or (6) is required, in accordance with Article 22.1.7 of the GIA, 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 GIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this GIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any

person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

- 22.1.4 Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 22.1.5 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this GIA or its regulatory requirements.
- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this GIA. 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 GIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.
- 22.1.9 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party 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 CFR 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 GIA, 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 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this GIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the GIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR 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, any information that a Party claims is competitively sensitive, commercial or financial information under this GIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this GIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other 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 Party, 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 Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

24.1 Information Acquisition. Distribution Provider and 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 Distribution Provider. The initial information submission by Distribution Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Distribution System and Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Distribution Provider shall provide Interconnection Customer a status report on the construction and installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Generating Facility data requirements contained in Appendix 1 to the GIP. It shall also include any additional information provided to Distribution Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Distribution Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Distribution Provider pursuant to the Interconnection Study Agreement between Distribution Provider and Interconnection Customer, then Distribution Provider will conduct appropriate studies to determine the impact on Distribution Provider Distribution System and Transmission System 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.

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” Generating Facility 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 Generating Facility as required by Good Utility Practice such as an open circuit “step voltage” test on the Generating Facility to verify proper operation of the Generating Facility’s automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Generating Facility 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 Generating Facility’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Generating Facility terminal or field voltages is provided. Generating Facility testing shall be conducted and results provided to Distribution Provider for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, Interconnection Customer shall provide Distribution Provider any information changes due to equipment replacement, repair, or adjustment. Distribution Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Distribution Provider-owned substation that may affect Interconnection Customer’s Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

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 GIA; and (ii) carry out its obligations and

responsibilities under this GIA. 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 GIA.

25.2 Reporting of Non-Uncontrollable Force Events. Each Party (the “notifying Party”) shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this GIA for a reason other than an Uncontrollable Force 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 GIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this GIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party’s accounts and records pertaining to either Party’s performance or either Party’s satisfaction of obligations under this GIA. Such audit rights shall include audits of the other Party’s costs, calculation of invoiced amounts, -Distribution Provider's efforts to allocate responsibility for interruption or reduction of generation on the Distribution System, and each Party’s actions in an Emergency Condition. 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 Party’s performance and satisfaction of obligations under this GIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades shall be subject to audit for a period of twenty-four months following Distribution Provider’s issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this GIA 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.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, 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.

Article 26. Subcontractors

26.1 General. Nothing in this GIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this GIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this GIA 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 GIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Distribution Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this GIA. Any applicable obligation imposed by this GIA 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

27.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this GIA 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 GIA.

27.2 External Arbitration Procedures. Any arbitration initiated under this GIA 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 GIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, Distribution Upgrades, 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 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 GIA 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 GIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this GIA, to become a Party hereto and to perform its obligations hereunder. This GIA 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 GIA 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 GIA 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 GIA, and it will provide to any Governmental Authority notice of any actions under this GIA that are required by Applicable Laws and Regulations.

Article 29. [Reserved]

Article 30. Miscellaneous

30.1 Binding Effect. This GIA 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 GIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this GIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This GIA, 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 GIA, 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 GIA), 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 GIA or such Appendix to this GIA, or such Section to the GIP or such Appendix to the GIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this GIA 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 GIA, 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 GIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this GIA.

30.5 No Third Party Beneficiaries. This GIA 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 GIA to insist, on any occasion, upon strict performance of any provision of this GIA 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 GIA 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 GIA. Termination or Default of this GIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer’s legal rights to obtain an interconnection from Distribution Provider. Any waiver of this GIA shall, if requested, be provided in writing.

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

30.8 Multiple Counterparts. This GIA 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 GIA by a written instrument duly executed by the Parties.

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

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30.11 Reservation of Rights. Distribution Provider shall have the right to make a unilateral filing with FERC to modify this GIA 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 GIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC’s rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this GIA 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 GIA 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 either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

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

[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____

Name: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Name: _____

Title: _____

Date: _____

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Appendix A to GIA

Description of Interconnection Facilities, Network Upgrades, Distribution Upgrades, Costs and Financial Security

Additional Definitions:

1. Interconnection Facilities:

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

(b) [insert Distribution Provider's Interconnection Facilities]:

2. Network Upgrades:

(a) [insert Stand Alone Network Upgrades]:

(b) [insert Other Network Upgrades]:

3. Distribution Upgrades:

4. Point of Change of Ownership, Point of Interconnection and One-Line Diagram of Interconnection:

5. Cost of Interconnection Facilities, Distribution Upgrades and Network Upgrades, Payment Schedule, On-Going Monthly Charges and Financial Security:

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Appendix B to GIA

Milestones

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Appendix C to GIA

Interconnection Details

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Appendix D to GIA

Security Arrangements Details

Infrastructure security of Distribution System and Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Distribution System reliability and operational security. FERC will expect the ISO, all transmission providers, market participants, and interconnection customers interconnected to the Distribution System and Transmission System 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.

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Appendix E to GIA

Commercial Operation Date

This Appendix E is a part of the GIA between Distribution Provider and Interconnection Customer.

[Date]

[Distribution Provider Address]

Re: _____ Generating Facility

Dear _____:

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

Thank you.

[Signature]

[Interconnection Customer Representative]

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Appendix F to GIA

Addresses for Delivery of Notices and Billings

Notices:

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

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

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

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Appendix G to GIA

**Interconnection Customer's Share of Costs of Network Upgrades for Applicable Project
Group**

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APPENDIX 6.2 to GIP

**GENERATOR INTERCONNECTION AGREEMENT (GIA)
FOR A GENERATING FACILITY
INTERCONNECTING UNDER THE INDEPENDENT STUDY PROCESS**

(Applicable to Interconnection Requests received on and after December 1, 2012)

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GENERATOR INTERCONNECTION AGREEMENT

THIS GENERATOR INTERCONNECTION AGREEMENT (“GIA” or “Agreement”) is made and entered into ~~this ____ day of _____~~ ~~20__~~, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ (“Interconnection Customer” with a Generating Facility), and Southern California Edison Company, a corporation organized and existing under the laws of the State of California (“Distribution Provider and/or Distribution Owner”). Interconnection Customer and Distribution Provider each may be referred to as a “Party” or collectively as the “Parties.”

Recitals

WHEREAS, Distribution Provider operates the Distribution System; and

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

WHEREAS, Interconnection Customer and Distribution Provider have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the Distribution System;

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

When used in this Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Tariff.

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 Distribution Provider’s Distribution System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

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

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

Annual Tax Security Reassessment shall mean the annual reassessment of the current tax liability in accordance with the directives of FERC Orders 2003-A and 2003-B associated with Article 5.17.4 of the GIA which will commence the first year after Interconnection Customer's in-service date.

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

Applicable Reliability Council shall mean the reliability council applicable to the Distribution System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Distribution System to which the Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.

Area Deliverability Constraint shall mean a Transmission System operating limit that either (a) would constrain the deliverability of a substantial number of generators if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to additional generating facilities in one or more specified geographic or electrical areas of the ISO Grid in a total amount that is greater than the TP Deliverability for those areas; (b) constrains a quantity of generation in a local area of the grid that is larger than the generation amount identified in the applicable transmission planning process portfolio for the entire portfolio area; or (c) constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

Area Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve an Area Deliverability Constraint.

Area Delivery Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Area Delivery Network Upgrades constructed and owned by the Distribution Provider. The Area Delivery Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

Base Case shall mean data including, but not limited to, base power flow, short circuit, and stability data bases, underlying load, generation, and transmission facility assumptions, contingency lists, including relevant special protection systems, and transmission diagrams used to perform the Interconnection Studies. The Base Case may include Critical Energy

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Infrastructure Information (as that term is defined by FERC). The Base Case shall include transmission facilities as approved by the Distribution Provider or ISO, as applicable, and Distribution Upgrades and Network Upgrades associated with generating facilities in (iv) below and generating facilities that (i) are directly interconnected to the Distribution System or ISO Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to the Distribution System or an Affected System; or (iv) are not interconnected to the Distribution System or ISO Grid, but are subject to a fully executed generator interconnection agreement (or its equivalent predecessor agreement) or for which an unexecuted generator interconnection agreement (or its equivalent predecessor agreement) has been requested to be filed with FERC.

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

Breaching Party shall mean a Party that is in Breach of the GIA.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

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

Charging Capacity shall mean the capacity provided under the GIA to meet the Charging Demand of a Generating Facility that includes storage, subject to available capacity on the Distribution System and any operating conditions and/or limitations as may be set forth in Appendix C of the GIA.

Charging Demand shall mean the flow of wholesale electric energy from the Distribution System solely to charge the storage component of the Generating Facility from the Distribution System for later redelivery of such energy, net of Generating Facility losses, to the Distribution System. Charging Demand does not include the delivery of energy for purposes that are subject to the Distribution Provider's retail tariff.

Cluster Study Process shall mean the interconnection study process set forth in GIP Section 4.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale or storing electricity for later resale, excluding electricity generated or stored during Trial Operation.

Commercial Operation Date of an Electric Generating Unit shall mean the date on which an Electric Generating Unit at a Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the GIA.

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

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confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Construction Activities shall mean actions by the Distribution Provider that result in irrevocable financial commitments for the purchase of major electrical equipment or land for Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer that occur after receipt of the appropriate governmental approvals needed for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

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.

Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities shall have the meaning assigned to it in Attachment J of the Tariff. The currently effective Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities is as provided in Attachment J of the Tariff.

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

Delivery Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, other than Reliability Network Upgrades, identified in the Interconnection Studies to relieve constraints on the ISO Grid. Delivery Network Upgrades may be further classified as Local Delivery Network Upgrades or Area Delivery Network Upgrades.

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

Distribution Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the GIA to the extent necessary.

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

Distribution Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Distribution Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the GIA, including any modifications, additions or upgrades to such facilities and equipment. Distribution

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Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Distribution Service shall mean the wholesale distribution service provided under the Tariff.

Distribution System shall mean those non-ISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide Distribution Service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

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

Distribution Upgrades Charge shall mean the monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Distribution Upgrades, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Distribution Upgrades Cost. The Distribution Upgrades Charge is provided in Section 5 of Appendix A to the GIA.

Distribution Upgrades Completion Date shall mean the date upon which the construction of the Distribution Upgrades is complete and such facilities are successfully tested and ready for service.

Distribution Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Upgrades. The Distribution Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

Effective Date shall mean the date on which the GIA 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 or storage device and its associated plant and apparatus whose electrical output is capable of being separately identified and metered.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Distribution Provider's

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Distribution System, Distribution Provider's Interconnection Facilities or the electric systems of others to which the Distribution Provider's Distribution System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the GIA to possess black start capability.

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

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

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

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

Full Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that could be as large as its Qualifying Capacity (as defined in the ISO Tariff) and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO.

Generating Facility shall mean Interconnection Customer's Electric Generating Unit(s) used for the production and/or storage for later injection of electricity identified in the 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 Electric Generating Units.

Generator Interconnection Agreement (GIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility processed pursuant to the Independent Study Process of the Generator Interconnection Procedures, a *pro forma* version of which is set forth in Appendix 6 to the GIP.

Generator Interconnection Procedures (GIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Generating Facility set forth in Attachment I of the Distribution Provider's Tariff.

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

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

Independent Study Process shall mean the interconnection study process set forth in GIP Section 5.

Independent Study Process Study Agreement shall mean the agreement between the Distribution Provider and the Interconnection Customer for conducting the Interconnection Studies for the proposed Generating Facility under the Independent Study Process.

Initial Synchronization Date shall mean the date upon which the Generating Facility 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 Distribution Provider's Interconnection Facilities to obtain back feed power.

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

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the GIA, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades

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to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Distribution Provider's Distribution System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Distribution Provider'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 Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Charge shall mean the monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 5 of Appendix A to the GIA.

Interconnection Facilities Completion Date shall mean the date upon which the construction of the Distribution Provider's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.

Interconnection Facilities Cost shall mean all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Provider's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 5 of Appendix A to the GIA.

Interconnection Facilities Study shall mean a study conducted by the Distribution Provider for an Interconnection Customer under the Independent Study Process to determine a list of facilities (including Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Distribution Provider's Distribution System. The scope of the study is defined in GIP Section 5.8.2.1.

Interconnection Financial Security shall have the meaning assigned to it in ~~Section 5.9~~ of the GIP.

Interconnection Handbook shall mean a handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. Distribution Provider's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and Applicable

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Reliability Standards. In the event of a conflict between the terms of this GIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this GIA shall govern.

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

Interconnection Service shall mean the service provided by the Distribution Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Distribution Provider's Distribution System and enabling it to receive, or deliver for the Charging Demand, electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the GIA and, if applicable, the Distribution Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection System Impact Study and the Interconnection Facilities Study described in Section 5.8.1 and Section 5.8.2 of the GIP.

Interconnection System Impact Study shall mean an engineering study conducted by the Distribution Provider for an Interconnection Customer under the Independent Study Process that evaluates the impact of the proposed interconnection on the safety and reliability of Distribution Provider's Distribution System and, if applicable, an Affected System. The scope of the study is defined in GIP Section 5.8.1.1.

IRS shall mean the Internal Revenue Service.

ISO shall mean the California Independent System Operator Corporation, a state-chartered, nonprofit, corporation that controls certain transmission facilities of all Participating Transmission Owners and dispatches certain generating units and loads.

ISO Grid shall mean the system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the ISO's operational control.

ISO Tariff shall mean the California Independent System Operator Corporation Operating Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time, and accepted by the FERC.

ISO's Generator Interconnection Procedures (ISO Tariff GIP) shall mean the procedures included in Appendix Y of the ISO Tariff to interconnect a Generating Facility directly to the ISO Grid, as such procedures may be modified from time to time, and accepted by the Commission.

ITCC (Income Tax Component of Contribution) shall have the meaning assigned to it in Attachment J of the Tariff.

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Local Deliverability Constraint shall mean a Transmission System operating limit that would be exceeded if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to one or more additional generating facilities interconnecting to the ISO Grid in a specific local area, and that is not an Area Deliverability Constraint.

Local Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve a Local Deliverability Constraint.

Local Delivery Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Local Delivery Network Upgrades constructed and owned by the Distribution Provider. The Local Delivery Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

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

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

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

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

Network Upgrades shall mean Delivery Network Upgrades and Reliability Network Upgrades.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the GIA or its performance.

Off-Peak Deliverability Assessment shall mean the technical study performed under Section 4.5.4.2.2 of the GIP.

On-Peak Deliverability Assessment shall mean the technical study performed under Section 4.5.4.2.1 of the GIP.

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One-Time Cost shall mean all costs determined by the Distribution Provider to be associated with the installation of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, Reliability Network Upgrades, or Delivery Network Upgrades which are not capitalized. The One-Time Cost is provided in Section 5 of Appendix A to the GIA.

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.

Option (A) Generating Facility shall mean a Generating Facility for which the Interconnection Customer has selected Option (A) as the deliverability option under GIP Section 4.6.2.

Option (B) Generating Facility shall mean a Generating Facility for which the Interconnection Customer has selected Option (B) as the deliverability option under GIP Section 4.6.2.

Partial Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that cannot be larger than a specified amount of its Qualifying Capacity (as defined in the ISO Tariff), and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO.

Participating Transmission Owner shall mean an entity which (i) owns, operates, and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities and (ii) has transferred to the ISO operational control of such facilities and/or entitlements to be made part of the ISO Grid.

Party or Parties shall mean Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the GIA, where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the GIA, where the Interconnection Facilities connect to the Distribution Provider's Distribution System.

Pre-Construction Activities shall mean the actions by the Distribution Provider, other than those required by an Engineering and Procurement Agreement under Section 8 of the GIP, undertaken prior to Construction Activities in order to prepare for the construction of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer, including, but not limited to, preliminary engineering, permitting activities, environmental analysis, or other activities specifically needed to obtain

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governmental approvals for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

Queue Cluster shall mean a set of Interconnection Requests in an interconnection study cycle processed pursuant to the Cluster Study Process.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the GIA, 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.

Reliability Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, necessary to interconnect one or more Generating Facility(ies) safely and reliably to the ISO Grid, which would not have been necessary but for the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which system operating limits cannot be adequately mitigated through the ISO's congestion management, operating procedures, or special protection systems based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with the Applicable Reliability Council's practice and Applicable Reliability Standards, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.

Reliability Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

Remedial Action Scheme (RAS) shall mean a scheme designed to detect predetermined system conditions and automatically take corrective actions that may include, but are not limited to, adjusting or tripping generation.

Results Meeting shall mean the meetings among the Distribution Provider, the Interconnection Customer, and, if applicable, the ISO to discuss either the results of the Interconnection System Impact Study as set forth in Section 5.8.1.4 of the GIP or the results of the Interconnection Facilities Study as set forth in Section 5.8.2.4 of the GIP.

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

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

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Distribution Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the GIA.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Distribution Provider's Distribution System, the ISO 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 Distribution Provider's Distribution System, the ISO Grid or on other delivery systems or other generating systems to which the Distribution Provider's Distribution System and Transmission System is directly connected.

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

Tax Security shall mean the Interconnection Customer's provision of security with respect to the Interconnection Customer's tax indemnification obligations, provided in accordance with Article 5.17.3. The Tax Security is provided in Section 5 of Appendix A to the GIA.

TP Deliverability shall mean the capability, measured in MW, of the ISO Grid as modified by transmission upgrades and additions modeled or identified in the annual Transmission Plan to support the interconnection with Full Capacity Deliverability Status or Partial Capacity Deliverability Status of additional Generating Facilities in a specified geographic or electrical area of the ISO Grid.

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

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Transmission Plan shall mean the report prepared by the ISO on an annual basis pursuant to Section 24 of the ISO Tariff, which documents the outcome of the ISO's transmission planning process by which the ISO assesses the ISO Grid.

Transmission System shall mean those transmission facilities owned by the Distribution Provider that have been placed under the ISO's Operational Control and are part of the ISO Grid.

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

Uncontrollable Force shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force event does not include acts of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This GIA 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. Distribution Provider shall promptly file this GIA 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 GIA shall remain in effect for a period of ____ years from the Effective Date (term specified in individual agreements to be ten (10) years or such other longer period as the Interconnection Customer may request) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

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

2.3.2 Default. Either Party may terminate this GIA in accordance with Article 17.

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

2.3.4 Notwithstanding Articles 2.3.1 and 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 GIA, which notice has been accepted for filing by FERC, and the Interconnection Customer has fulfilled its termination cost obligations under Article 2.4.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this GIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this GIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Distribution Provider's Interconnection Facilities that have not yet been constructed or installed, Distribution Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Distribution Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Distribution Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Distribution Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Distribution Provider to cancel any pending orders of or return such materials, equipment, or contracts.

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

2.4.2 Distribution Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Distribution Provider 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 GIA, 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 GIA, the Parties will take all appropriate steps to disconnect the Generating Facility from the Distribution 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 GIA or such non-terminating Party otherwise is responsible for these costs under this GIA.
- 2.6 Survival.** This GIA 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 GIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this GIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this GIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

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

Article 4. Scope of Service

- 4.1 Interconnection Service.** Interconnection Service allows Interconnection Customer to connect the Generating Facility to the Distribution System and be eligible to deliver, or receive for the Charging Demand~~the Generating Facility's output~~ using the capacity of the Distribution System ~~to the ISO Grid~~. To the extent Interconnection Customer wants to receive Interconnection Service, Distribution Provider shall construct facilities identified in Appendices A and C that the Distribution Provider is responsible to construct.
- 4.1.1 Distribution Service Implications.** Interconnection Customer will be eligible to ~~deliver~~inject power from the Generating Facility ~~into~~ Distribution Provider's Distribution System or receive power from the Distribution System for the Charging Demand pursuant to the Tariff. The Interconnection Customer may not deliver or receive power over the Distribution Provider's Distribution System absent procuring Distribution Service. The Interconnection Customer must apply for Distribution Service pursuant to Section 15.2 of the Tariff and meet the conditions specified in Section 14 of the Tariff to be eligible for Distribution Service.

- 4.1.2 Transmission Service Implications.** Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver or receive power to or from the ~~output of its~~ Generating Facility to any particular load or resource on the ISO Grid without incurring congestion costs. In the event of transmission constraints on the ISO Grid, Interconnection Customer's Generating Facility shall be subject to the applicable congestion management procedures in the ISO Tariff in the same manner as all other resources. The Interconnection Customer shall be solely responsible for completing all of the necessary arrangements required under the ISO Tariff to be eligible to schedule the output and Charging Demand of its resource.
- 4.2 Provision of Service.** Distribution Provider shall provide Interconnection Service for the Generating Facility at the Point of Interconnection.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this GIA 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 GIA for its compliance therewith. If such Party is a Distribution Provider or Distribution Owner, then that Party shall amend the GIA and submit the amendment to FERC for approval.
- 4.4 No Distribution Service or Transmission Service.** The execution of this GIA does not constitute a request for, nor the provision of, Distribution Service under the Tariff or any transmission service under the ISO Tariff, and does not convey any right to the Interconnection Customer to deliver electricity generated or stored for later injection using the Distribution System.
- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this GIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 9.6.3.
- 4.6 TP Deliverability.** To the extent that an Interconnection Customer is eligible for and has been allocated TP Deliverability pursuant to Section 8.9 of Appendix DD of the ISO Tariff, the Interconnection Customer's retention of such allocated TP Deliverability shall be contingent upon satisfying the obligations set forth in Section 4.6.13 of the GIP. In the event that the Interconnection Customer does not retain allocated TP Deliverability with regard to any portion of the Generating Facility, such portion of the Generating Facility shall be deemed to receive Interconnection Service under this GIA as Energy Only Deliverability Status (as such term is defined in the ISO Tariff).

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option, Alternate Option, or, if eligible in accordance with ISO Tariff requirements, Merchant Option, set forth below for completion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades as set forth in Appendix A, Interconnection Facilities, Distribution Upgrades, and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.

5.1.1 Standard Option. Distribution Provider shall design, procure, and construct Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, using Reasonable Efforts to complete Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades by the dates set forth in Appendix B, Milestones. Distribution Provider 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 Distribution Provider reasonably expects that it will not be able to complete Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades by the specified dates, Distribution Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

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

If Distribution Provider subsequently fails to complete Distribution Provider's Interconnection Facilities and Distribution Upgrades 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 or operation in charging mode, 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; Distribution Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. If the dates designated by Interconnection Customer are not acceptable to Distribution Provider, Distribution Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties

agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Distribution Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option. This provision only applies to Generating Facilities larger than 20 MW.

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

5.1.5 Merchant Option. In addition to any Option to Build set forth in Article 5.1.3 of this GIA, an Interconnection Customer having an Option (B) Generating Facility may elect, pursuant to the ISO Tariff, to have a party other than the Distribution Provider construct some or all of the Local Delivery Network Upgrades and Area Delivery Network Upgrades for which the Interconnection Customer has the obligation to fund and which are not subject to reimbursement. Such Local Delivery Network Upgrades and Area Delivery Network Upgrades will be constructed and incorporated into the ISO Grid pursuant to the provisions for merchant transmission facilities in ISO Tariff Sections 24.4.6.1 and 36.11.

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

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

(2) Interconnection Customer's engineering, procurement and construction of Distribution Provider's Interconnection Facilities and Stand Alone Network

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Upgrades shall comply with all requirements of law to which Distribution Provider would be subject in the engineering, procurement or construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(3) Distribution Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Distribution Provider a schedule for construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Distribution Provider;

(5) at any time during construction, Distribution Provider shall have the right to gain unrestricted access to Distribution Provider'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 Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Distribution Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades;

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

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

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Distribution Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Distribution Provider;

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

(11) Interconnection Customer shall deliver to Distribution Provider "as-built" drawings, information, and any other documents that are reasonably required by Distribution Provider to assure that the Interconnection Facilities and Stand-Alone

Network Upgrades are built to the standards and specifications required by Distribution Provider.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Distribution Provider 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 Distribution Provider to Interconnection Customer in the event that Distribution Provider does not complete any portion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, in the aggregate, for which Distribution Provider 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades for which Distribution Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Distribution Provider to Interconnection Customer as just compensation for the damages caused to 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 GIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Distribution Provider's failure to meet its schedule.

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

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with Applicable Reliability

Standards, the guidelines and procedures established by the Applicable Reliability Council, and in accordance with the provisions of Section 4.6.5.1 of the ISO Tariff. Distribution Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Generating Facility. If the Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Distribution Provider and Distribution Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators of the induction type.

5.5 Equipment Procurement. If responsibility for construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades is to be borne by Distribution Provider, then Distribution Provider shall commence design of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Distribution Provider has completed the Interconnection Studies pursuant to the Independent Study Process Study Agreement;

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

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

5.6 Construction Commencement. Distribution Provider shall commence construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades;

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

5.6.4 Interconnection Customer has provided security to Distribution Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

- 5.7 Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Distribution Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Distribution Provider of such later date upon which the completion of Distribution Provider's Interconnection Facilities will be required.
- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Distribution Provider's Distribution System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9 Limited Operation.** If any of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Generating Facility, Distribution Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this GIA. Distribution Provider shall permit Interconnection Customer to operate the Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.
- 5.10 Interconnection Customer's Interconnection Facilities ('ICIF').** Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.
- 5.10.1 Interconnection Customer's Interconnection Facility Specifications.** Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Distribution Provider 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. Distribution Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Distribution Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

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

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

5.10.4 Interconnection Customer to Meet Requirements of the Distribution Provider's Interconnection Handbook. The Interconnection Customer shall comply with the Distribution Provider's Interconnection Handbook. In the event of a conflict between the terms of this GIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this GIA shall govern.

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

Distribution Provider will obtain control for operating and maintenance purposes of Distribution Provider'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 Generating Facility with the Distribution System; (ii) operate and maintain the Generating Facility, the Interconnection Facilities and the Distribution System; and (iii) disconnect or remove the Access Party’s facilities and equipment upon termination of this GIA. 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 Distribution Provider or Distribution Owner's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Distribution Provider or Distribution Owner, Distribution Provider or Distribution Owner shall at 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 Distribution Provider or Distribution Owner's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades upon such property.
- 5.14 Permits.** Distribution Provider or Distribution Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Distribution Provider or Distribution Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Distribution Provider's own, or an Affiliate's generation.
- 5.15 Early Construction of Base Case Facilities.** Interconnection Customer may request Distribution Provider to construct, and Distribution Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Distribution Upgrades or Network Upgrades required for Interconnection Customer to be interconnected to the Distribution System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Distribution Provider, to suspend at any time all work by Distribution Provider associated with the construction and installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades required under this GIA, other than Network Upgrades identified as common to multiple generating facilities, with the condition that Distribution System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Distribution Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Distribution Provider (i) has incurred pursuant to this GIA 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 Distribution System and Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Distribution Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Distribution Provider shall obtain Interconnection Customer's authorization to do so.

Network Upgrades common to multiple generating facilities, and to which the Interconnection Customer's right of suspension shall not extend, consist of Network Upgrades identified for:

- i. Generating facilities which are the subject of all Interconnection Requests made prior to the Interconnection Customer's Interconnection Request; or
- ii. Generating facilities which are the subject of Interconnection Requests within the Queue Cluster where the Interconnection Customer's request for Full Capacity Deliverability Status or Partial Capacity Deliverability Status is assessed; or
- iii. Generating facilities that are the subject of Interconnection Requests that were made after the Interconnection Customer's Interconnection Request but no later than the date on which the Interconnection Customer's Interconnection Facilities Study report was issued, and have been modeled in the Base Case at the time the Interconnection Customer seeks to exercise its suspension rights under this section.

Distribution Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Distribution Provider required under this GIA pursuant to this Article 5.16, and has not requested Distribution Provider to recommence the work or has not itself recommenced work required under this GIA on or before the expiration of three (3) years following commencement of such suspension, this GIA shall be deemed terminated and the Interconnection Customer's responsibility for costs will be determined in accordance with Article 2.4 of this GIA. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Distribution Provider, if

no effective date is specified. The maximum three-year period shall apply to the projected Commercial Operation Date for the Generating Facility identified in the initial Interconnection Request, without regard to any subsequent changes to the dates set forth in the Interconnection Request, without regard to the milestone schedule dates set forth in Appendix B hereto or any changes to those dates, and without regard to any other scheduled dates for action affecting the Generating Facility, Interconnection Facilities, or Network Upgrades or any changes to those dates.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Distribution Provider for the installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an 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 ~~2016-362001-82~~ and IRS Notice ~~88-129~~, Interconnection Customer represents and covenants that (i) ownership of the electricity generated or delivered from storage at the Generating Facility ~~at the Generating Facility~~ will pass to another party prior to the transmission of the electricity on the Distribution System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Distribution Provider for Distribution Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Distribution Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice ~~2016-3688-129~~, is reasonably expected to carry only a de minimis amount of electricity in the direction of the 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 ~~2016-3688-129~~. 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 Distribution Provider's request, Interconnection Customer shall provide Distribution Provider with a report from an independent engineer confirming its representation in clause (iii), above. Distribution Provider represents and covenants that the cost of Distribution Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Distribution Provider. Notwithstanding Article 5.17.1,

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

Distribution Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this GIA unless (i) Distribution Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Distribution Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Distribution Provider to report payments or property transfers as income subject to taxation; provided, however, that Distribution Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Distribution Provider (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. Interconnection Customer shall reimburse Distribution Provider 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 Distribution Provider 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 (10) year testing period and the applicable statute of limitation, as it may be extended by Distribution Provider 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. 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 Interconnection Customer will pay Distribution Provider, in addition to the amount paid for the Interconnection Facilities, Distribution Upgrades, and Network Upgrades, an amount equal to (1) the current taxes imposed on Distribution Provider ("Current Taxes") on the excess of (a) the gross income realized by Distribution Provider as a result of payments or property transfers made by Interconnection Customer to Distribution Provider under this GIA (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 Distribution Provider 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 Distribution Provider's composite federal and state tax rates at the time the payments or property transfers are received and Distribution Provider 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 Distribution Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Distribution Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Distribution Owner pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Distribution Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Distribution Provider under this GIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Distribution Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

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

5.17.6 Subsequent Taxable Events. If, within ten (10) years from the date on which the relevant Distribution Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, or (ii) a "disqualification event" occurs within the meaning of IRS Notice 2016-3688-129, or (iii) ~~this GIA terminates and Distribution Provider retains ownership of the Interconnection Facilities, Distribution Upgrades, and Network Upgrades,~~ Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Distribution Provider in the form of a nonrefundable cash payment, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 2016-3690-60.

5.17.7 Contests. In the event any Governmental Authority determines that Distribution Provider's receipt of payments or property constitutes income that is subject to taxation, Distribution Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Distribution Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Distribution Provider 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. Distribution Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Distribution Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Distribution Provider on a periodic basis, as invoiced by Distribution Provider, Distribution Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Distribution Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Distribution Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully-grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Distribution Provider for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Distribution Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Distribution Provider under the terms of this GIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Distribution Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Distribution Provider under the terms of this GIA is not taxable to Distribution Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Distribution Provider are not subject to federal income tax, or (d) if Distribution Provider receives a

refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Distribution Provider pursuant to this GIA, Distribution Provider shall promptly refund to Interconnection Customer the following:

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

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

(iii) with respect to any such taxes paid by Distribution Provider, any refund or credit Distribution Provider 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 Distribution Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Distribution Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Distribution Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Distribution Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Distribution Provider'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, Distribution Upgrades, and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Distribution Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Distribution Provider for which Interconnection Customer may be required to reimburse Distribution Provider under the terms of this GIA. Interconnection Customer shall pay to Distribution Provider on a periodic basis, as invoiced by Distribution Provider, Distribution Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Distribution Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be

deferred, no amount shall be payable by Interconnection Customer to Distribution Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Distribution Provider.

5.17.10 Distribution Owners Who Are Not Distribution Providers. If Distribution Provider is not the same entity as the Distribution Owner, then (i) all references in this Article 5.17 to Distribution Provider shall be deemed also to refer to and to include the Distribution Owner, as appropriate, and (ii) this GIA shall not become effective until such Distribution Owner shall have agreed in writing to assume all of the duties and obligations of Distribution Provider under this Article 5.17 of this GIA.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this GIA is intended to adversely affect any Distribution Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party 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 Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party 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 Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Distribution Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Distribution System, Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

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 GIA and Good Utility Practice.

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

5.19.4 Permitted Reductions in Output Capacity (MW Generating Capacity) of the Generating Facility. An Interconnection Customer may reduce the MW capacity of the Generating Facility by up to five percent (5%) for any reason during the time period between the Effective Date of this GIA and the Commercial Operation Date. The five percent (5%) value shall be established by reference to the MW generating capacity as set forth in Appendix C.

The Distribution Provider will consider an Interconnection Customer's request for a reduction in the MW generating capacity greater than five percent (5%) under limited conditions where the Interconnection Customer reasonably demonstrates to the Distribution Provider that the MW generation capacity reduction is warranted due to reasons beyond the control of the Interconnection Customer. Reasons beyond the control of the Interconnection Customer shall consist of any one or more of the following:

- (i) The Interconnection Customer's failure to secure required permits and other governmental approvals to construct the Generating Facility at its total MW generating capacity as specified in Appendix C after the Interconnection Customer has made diligent effort to secure such permits or approvals;
- (ii) The Interconnection Customer's receipt of a written statement from the permitting or approval authority (such as a draft environmental impact report) indicating that construction of a Generating Facility of the total MW generating capacity size specified in Appendix C will likely result in disapproval due to a significant environmental or other impact that cannot be mitigated;
- (iii) Failure to obtain the legal right of use of the full site acreage necessary to construct and/or operate the total MW generating capacity size for the

entire Generating Facility specified in Appendix C, after the Interconnection Customer has made a diligent attempt to secure such legal right of use. This subsection (iii) applies only where an Interconnection Customer has previously demonstrated and maintained its demonstration of Site Exclusivity prior to invoking this subsection as a reason for downsizing.

If relying on subsection (i) or (ii) above, in order to be eligible for a capacity reduction greater than five percent (5%), the Interconnection Customer must also demonstrate to the Distribution Provider that a reduction of MW generating capacity of the Generating Facility to the reduced size that the Interconnection Customer proposes will likely overcome the objection of the permitting/approving authority or otherwise cause the permitting/approving authority to grant the permit or approval. The Interconnection Customer may satisfy this demonstration requirement by submitting to the Distribution Provider either a writing from the permitting/approving authority to this effect or other evidence of a commitment by the permitting/approving authority that the MW capacity reduction will remove the objections of the authority to the permit/approval application.

If relying on subsection (iii) above, the Interconnection Customer must also reasonably demonstrate to the Distribution Provider that the proposed reduced-capacity Generating Facility can be constructed on the site over which the Interconnection Customer has been able to obtain legal rights of use.

Upon such demonstration to the reasonable satisfaction of the Distribution Provider, the Distribution Provider will permit such reduction. No permitted reduction of MW generation capacity under this Article shall operate to diminish the Interconnection Customer's cost responsibility for Network Upgrades or to diminish the Interconnection Customer's right to repayment for financing of Network Upgrades under this GIA.

5.20 Annual Reassessment Process. In accordance with Section 7.4 of Appendix DD of the ISO Tariff, the ISO will perform an annual reassessment, as part of a Queue Cluster interconnection study cycle, in which it will update certain base case data prior to beginning the Phase II Interconnection Studies (as such term is defined in the ISO Tariff). As set forth in Section 7.4 of Appendix DD of the ISO Tariff, the ISO may determine through this assessment that Delivery Network Upgrades already identified and included in executed generator interconnection agreements should be modified in order to reflect the current circumstances of interconnection customers in the queue, including any withdrawals therefrom, and any additions and upgrades approved in the ISO's most recent transmission planning process cycle. To the extent that this determination modifies the scope or characteristics of, or the cost responsibility for, any Delivery Network Upgrades set forth in Appendix A to this GIA, such modification(s) will be reflected through an amendment to this GIA.

Article 6. Testing and Inspection

- 6.1 Pre-Commercial Operation Date Testing and Modifications.** Prior to the Commercial Operation Date, Distribution Provider shall test Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades and Interconnection Customer shall test the Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. The Interconnection Customer shall not commence initial parallel operation of an Electric Generating Unit with the Distribution Provider's Distribution System until the Distribution Provider provides prior written approval as set forth in Appendix B, Milestones, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit. Interconnection Customer shall generate or receive test energy at the Generating Facility only if it has arranged for the delivery or receipt 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 Generating Facility with the Distribution System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other 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 GIA.

Article 7. Metering

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- 7.1 General.** Each Party shall comply with any Applicable Reliability Standards and the Applicable Reliability Council requirements. The Interconnection Customer shall comply with the provisions of the ISO Tariff regarding metering, including Section 10 of the ISO Tariff. Unless otherwise agreed by the Parties, Distribution Provider may install additional Metering Equipment at the Point of Interconnection prior to any operation of the Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Generating Facility shall be measured at or, at Distribution Provider's option, compensated to, the Point of Interconnection. Interconnection Customer's access to meter data shall be provided in accordance with the ISO Tariff. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check the ISO-poled meters or Distribution Provider'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 GIA, except in the case that no other means are available on a temporary basis at the option of the Distribution Provider. The check meters shall be subject at all reasonable times to inspection and examination by Distribution Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.
- 7.3 Distribution Provider Retail Metering.** Distribution Provider may install retail revenue quality meters and associated equipment, pursuant to the Distribution Provider's applicable retail tariffs. Metering for Generating Facilities which include storage, and which utilize the Distribution System for charging the storage device pursuant to the Tariff, shall be configured to meter the retail load separately from the Charging Demand (as required in Article 7.4), and may require, but not be limited to, the installation of multiple meters and associated equipment as specified in Appendix A of the GIA.
- 7.4 Requirements for Storage.** Distribution Provider shall, at the Interconnection Customer's expense, install, own, operate, test and maintain meters and associated metering equipment required to meter the Charging Demand of Generating Facilities that include storage.

Article 8. Communications

- 8.1 Interconnection Customer Obligations.** Interconnection Customer shall maintain satisfactory operating communications with Distribution Provider's Distribution System dispatcher or representative designated by Distribution Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also

provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Distribution Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Generating Facility to the location(s) specified by Distribution Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

- 8.2 Remote Terminal Unit.** Prior to the Initial Synchronization Date of the Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Distribution Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Distribution Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Distribution Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Distribution Provider.

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

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

Article 9. Operations

- 9.1 General.** Each Party shall comply with Applicable Reliability Standards and the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.
- 9.2 Control Area Notification.** At least three months before Initial Synchronization Date, Interconnection Customer shall notify Distribution Provider in writing of the Control Area in which the Generating Facility will be located. If Interconnection Customer elects to locate the Generating Facility in a Control Area other than the Control Area in which the Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this GIA, 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 Generating Facility in the other Control Area.

- 9.3 Distribution Provider Obligations.** Distribution Provider shall cause the Distribution System and Distribution Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this GIA. Distribution Provider may provide operating instructions to Interconnection Customer consistent with this GIA and Distribution Provider's operating protocols and procedures as they may change from time to time. Distribution Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** Interconnection Customer shall at its own expense operate, maintain and control the Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this GIA. Interconnection Customer shall operate the Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this GIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this GIA.
- 9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Generating Facility to Distribution Provider's Distribution System.
- 9.6 Reactive Power.**
- 9.6.1 Power Factor Design Criteria.**

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation, or equivalent location when there is not a generator substation, at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established a different power factor range that applies to all non-synchronous generators in the Control Area on a comparable basis. This power factor range standard shall be dynamic and can be met 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet submitted the initial posting of Interconnection Financial Security as of the effective date of the Final Rule establishing this requirement (Order No. 827).

Newly interconnecting non-synchronous generators that have submitted the initial posting of Interconnection Financial Security and have not executed a GIA, or requested the filing of an unexecuted GIA, as of the effective date of the Final Rule, will be required to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, if an Interconnection Study shows that such a requirement is necessary to ensure safety or reliability.

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Generating Facility with the Distribution System, Distribution Provider shall require Interconnection Customer to operate the Generating Facility to produce or absorb reactive power within the design limitations of the Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Distribution Provider's voltage schedules shall treat all sources of reactive power interconnected with the Distribution System in an equitable and not unduly discriminatory manner and consistent with the applicable requirements of the ISO Tariff. Distribution Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Distribution System and Transmission System. Interconnection Customer shall operate the Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the Distribution Provider and the ISO.

9.6.2.1 Governors and Regulators. Whenever the Generating Facility is operated in parallel with the Distribution System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Generating Facility with its speed governors and voltage regulators in automatic operation. If the Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Distribution Provider and the ISO, and ensure that the Electric Generating Unit operates as specified in Article 9.6.2 through manual operation and that such Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Generating Facility to

disconnect automatically or instantaneously from the Distribution System or trip any generating unit comprising the 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. Payment to Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Generating Facility when the ISO requests Interconnection Customer to operate its Generating Facility outside the range specified in Article 9.6.1 will be made by the ISO in accordance with the applicable provisions of the ISO Tariff.

9.7 Outages and Interruptions.

9.7.1 Outages.

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

9.7.1.2 Outage Schedules. Interconnection Customer shall submit its planned maintenance schedules for the Generating Facility to Distribution Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Distribution Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Distribution System and Transmission System. Distribution Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Distribution Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities. Distribution Provider shall have no obligation to pay Interconnection Customer any costs the Interconnection

Customer incurs as the result of being directed by the ISO to reschedule maintenance.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the 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.

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

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

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

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Generating Facility, Interconnection Facilities, and the Distribution System and Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Frequency and Voltage Ride Through. The Interconnection Customer shall ensure “frequency ride through” capability and “voltage ride through” capability of the Generating Facility. The Interconnection Customer shall enable these capabilities such that the Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Distribution Provider and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to Article 6 of this GIA. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Control Area on a comparable basis.

9.7.4 System Protection and Other Control Requirements.

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

9.7.4.2 Each Party’s protection facilities shall be designed and coordinated with other systems in accordance with Applicable Reliability Standards, Applicable Reliability Council criteria, and Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party’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 Interconnection Customer’s units.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice and, if applicable, the requirements of the Distribution Provider’s Interconnection Handbook.

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent 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 Distribution Provider, including, if applicable, the requirements of the Distribution Provider'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 Distribution Provider's Interconnection Handbook, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Generating Facility to any short circuit occurring on the Distribution System not otherwise isolated by Distribution Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Distribution System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Generating Facility and the Distribution System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Generating Facility and Interconnection Customer's other equipment if conditions on the Distribution System could adversely affect the Generating Facility.

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

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The

Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Generating Facility to the Distribution 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 Distribution Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Distribution Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Distribution Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Generating Facility or Distribution Provider's Distribution System and Transmission System 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.

9.11 Limitations on Charging for Storage. Generating Facilities that include storage may be subject to limits on the amount of Charging Capacity, the times during which the storage component may charge from the Distribution System, or other limitations on Charging Demand as specified in Appendix C of the GIA.

Article 10. Maintenance

10.1 Distribution Provider Obligations. Distribution Provider shall maintain the Distribution System, Transmission System and Distribution Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this GIA.

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

Article 11. Performance Obligation

- 11.1 Interconnection Customer Interconnection Facilities.** Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.
- 11.2 Distribution Provider's Interconnection Facilities.** Distribution Provider or Distribution Owner shall design, procure, construct, install, own and/or control the Distribution Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer. The Interconnection Customer shall be responsible for funding all costs related to Distribution Provider's Interconnection Facilities. The costs set forth in Appendix A are estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for the Distribution Provider's Interconnection Facilities. The Interconnection Customer shall be responsible for the actual costs related to Distribution Provider's Interconnection Facilities.

11.3 Network Upgrades and Distribution Upgrades. Distribution Provider or Distribution Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, except for any Stand Alone Network Upgrades and Merchant Network Upgrades (as such term is defined in the ISO Tariff).

11.3.1 Distribution Upgrades. The Interconnection Customer shall be responsible for funding all costs related to Distribution Upgrades. The costs set forth in Appendix A are estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for Distribution Upgrades. The Interconnection Customer shall be responsible for the actual costs related to Distribution Upgrades.

11.3.2 Reliability Network Upgrades. The Interconnection Customer shall be responsible for funding the costs of the Reliability Network Upgrades up to the maximum cost responsibility limit established for the Interconnection Customer in accordance with Section 5.8.2 of the GIP for such facilities. The costs set forth in Appendices A and G are estimates only. The Interconnection Customer shall be responsible for its share of the actual costs of Reliability Network Upgrades up to its maximum cost responsibility limit. The Interconnection Customer may be entitled to repayment of all or a portion of the costs it funded for Reliability Network Upgrades in accordance with Article 11.4.1.

11.3.3 Local Delivery Network Upgrades. If the Interconnection Customer has an Option (A) Generating Facility, or if the Interconnection Customer has an Option (B) Generating Facility and did not select the Merchant Option for the Local Delivery Network Upgrades, then the Interconnection Customer shall be responsible for funding its share of the costs of Local Delivery Network Upgrades up to the maximum cost responsibility limit established for the Interconnection Customer in accordance with Section 4.6 of the GIP for such facilities. The costs set forth in Appendices A and G are estimates only. The Interconnection Customer shall be responsible for its share of the actual costs of Local Delivery Network Upgrades up to its maximum cost responsibility limit. The Interconnection Customer may be entitled to repayment for the costs it funded for Local Delivery Network Upgrades in accordance with Article 11.4.1.

11.3.4 Area Delivery Network Upgrades. If the Interconnection Customer has an Option (A) Generating Facility, the Interconnection Customer will not be responsible for funding the costs of any Area Delivery Network Upgrades. If the Interconnection Customer has an Option (B) Generating Facility and did not select the Merchant Option for the Area Delivery Network Upgrades, then the Interconnection Customer shall be responsible for funding the costs of Area Delivery Network Upgrades. The costs set forth in Appendices A and G are advisory estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for Area Delivery Network Upgrades. The Interconnection Customer shall be

responsible for the actual costs of Area Delivery Network Upgrades. The Interconnection Customer will not be entitled to repayment for the costs it funded for Area Delivery Network Upgrades in accordance with Article 11.4.1.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. An Interconnection Customer that has been tendered a Generator Interconnection Agreement before July 29, 2016 may be entitled, in accordance with this Article 11.4.1, to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades commencing on the Commercial Operation Date of its Generating Facility.

An Interconnection Customer that has not been tendered a Generator Interconnection Agreement before July 29, 2016 may be entitled, in accordance with this Article 11.4.1, to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service on or before the Commercial Operation Date of its Generating Facility, commencing on the Commercial Operation Date of its Generating Facility. Repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service after the Commercial Operation Date of its Generating Facility shall, for each of these Network Upgrades, commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) ninety (90) Calendar Days after the Network Upgrade is placed into service.

Interconnection Customer may be entitled to a cash repayment based on the amount paid to Distribution Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, as follows:

- a) Reliability Network Upgrades.** The Interconnection Customer shall be entitled to a repayment of the amount the Interconnection Customer paid to the Distribution Provider for Reliability Network Upgrades as set forth in Appendix A and G, up to a maximum of \$60,000 per MW of Generating Facility capacity. For purposes of this determination, the Generating Facility capacity will be based on the capacity of the Interconnection Customer's Generating Facility at the time it achieves Commercial Operation. However, to the extent that such repayment does not cover all of the costs of Interconnection Customer's Reliability Network Upgrades, the Interconnection Customer may receive Congestion Revenue Rights (as such term is defined in the ISO Tariff) from the ISO in accordance with the ISO Tariff for that portion of its Reliability Network Upgrades that are not covered by cash repayment.

b) Local Delivery Network Upgrades.

- i. If the Interconnection Customer has an Option (A) Generating Facility, the Interconnection Customer shall be entitled to a repayment equal to the total amount the Interconnection Customer paid to the Distribution Provider for the costs of Local Delivery Network Upgrades.
 - ii. If the Interconnection Customer has an Option (B) Generating Facility and has been allocated TP Deliverability and continues to be eligible to retain such TP Deliverability pursuant to Appendix DD of the ISO Tariff, the Interconnection Customer shall be entitled to repayment of a portion of the total amount paid to the Distribution Provider for the costs of Local Delivery Network Upgrades. The repayment amount shall be determined by dividing the amount of TP Deliverability received by the amount of TP Deliverability requested by the Interconnection Customer, and multiplying that percentage by the total amount paid to the Distribution Provider by the Interconnection Customer for Local Delivery Network Upgrades. However, the Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for that portion of its Local Delivery Network Upgrades that are not covered by cash repayment.
 - iii. If the Interconnection Customer has an Option (B) Generating Facility and has not been allocated any TP Deliverability pursuant to Appendix DD of the ISO Tariff, the Interconnection Customer shall not be entitled to repayment of the amount paid to the Distribution Provider for the costs of Local Delivery Network Upgrades. However, the Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for the costs of Local Delivery Network Upgrades that are not covered by cash repayment.
- c) Area Delivery Network Upgrades.** The Interconnection Customer shall not be entitled to repayment of the amount paid to the Distribution Provider for the costs of Area Delivery Network Upgrades. However, the Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for the costs of Area Delivery Network Upgrades that are not covered by cash repayment.

Any repayment for Reliability Network Upgrades and Local Delivery Network Upgrades, as specified above, will be paid to the Interconnection Customer by the Distribution Provider on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Distribution Provider's Tariff and Affected System's Tariff for transmission services with respect to the Generating Facility. 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 pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Distribution Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Distribution Provider and Affected System Operator take one of the following actions no later than five years from the applicable date as provided for in this Article 11.4.1: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Distribution Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the applicable commencement date.

If the Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Distribution Provider and Affected System Operator 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. Unless Distribution Provider provides, under the GIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this GIA, 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 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 Generating Facility.

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11.5 Provision of Interconnection Financial Security. The Interconnection Customer is obligated to provide all necessary Interconnection Financial Security required under Section 5.9 of the GIP in a manner acceptable under Section 5.9 of the GIP.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due 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 GIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within twelve (12) months after completion of the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades, Distribution Provider shall provide an invoice of the final cost of the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Distribution Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this GIA.

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

Article 13. Emergencies

- 13.1 Definition.** "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Distribution System, Distribution Provider's Interconnection Facilities or the Transmission Systems of others to which the Distribution System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the 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 GIA to possess black start capability.
- 13.2 Obligations.** Each Party shall comply with the Emergency Condition procedures of the ISO, NERC, the Applicable Reliability Council, Applicable Reliability Standards, Applicable Laws and Regulations, and any emergency procedures set forth in this GIA.
- 13.3 Notice.** Distribution Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Distribution Provider's Interconnection Facilities, Distribution System or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Distribution Provider promptly when it becomes aware of an Emergency Condition that affects the Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Distribution System, Transmission System or Distribution Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Distribution Provider'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.
- 13.4 Immediate Action.** Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Distribution Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Distribution Provider or otherwise regarding the Distribution System.
- 13.5 Distribution Provider Authority.**
- 13.5.1 General.** Distribution Provider may take whatever actions or inactions with regard to the Distribution System and Transmission System or Distribution Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Distribution System and Transmission System or Distribution

Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Distribution Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Generating Facility or Interconnection Customer's Interconnection Facilities. Distribution Provider may, on the basis of technical considerations, require the Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Distribution Provider's operating instructions concerning Generating Facility real power and reactive power output within the manufacturer's design limitations of the 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. Distribution Provider may reduce Interconnection Service or disconnect the Generating Facility or 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 Distribution Provider can schedule the reduction or disconnection in advance, Distribution Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Distribution Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Distribution Provider. 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 Generating Facility, the Interconnection Facilities, and the Distribution System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice and the GIA and the GIP, Interconnection Customer may take actions or inactions with regard to the Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Generating Facility or 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 Distribution System and Distribution Provider's

Interconnection Facilities. Distribution Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

- 13.7 Limited Liability.** Neither Party shall be liable to the other 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 GIA 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 GIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, 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 GIA 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 GIA 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 GIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this GIA by giving five (5) Business Days written notice prior to the effective date of the change.

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- 15.2 Billings and Payments.** Billings and payments shall be sent to the addresses set out in Appendix F.
- 15.3 Alternative Forms of Notice.** Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.
- 15.4 Operations and Maintenance Notice.** Each Party shall notify the other Party 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. Uncontrollable Force

16.1 Uncontrollable Force.

16.1.1 Economic hardship is not considered an Uncontrollable Force event.

16.1.2 Neither 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 Uncontrollable Force. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of an Uncontrollable Force shall give notice and the full particulars of such Uncontrollable Force 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 Uncontrollable Force, the time and date when the Uncontrollable Force occurred and when the Uncontrollable Force 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 an Uncontrollable Force as defined in this GIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party 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 non-breaching Party shall have the right to declare a Default and terminate this GIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this GIA, 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 GIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this GIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person 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 Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

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

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the

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

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

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

18.3 Insurance. As indicated below, the designated Party shall, at its own expense, maintain in force throughout the period of this GIA, and until released by the other Party, 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:

18.3.1 Workers' Compensation Insurance and Employers' Liability. The Distribution Provider and the Interconnection Customer shall maintain such coverage from the commencement of any Construction Activities providing statutory benefits for workers compensation coverage and coverage amounts of no less than one million dollars (\$1,000,000) for employer's liability for each employee for bodily injury by accident and one million dollars (\$1,000,000) for

each employee for bodily injury by disease in accordance with the laws and regulations of the state in which the Point of Interconnection is located. The Distribution Provider shall provide the Interconnection Customer with evidence of such insurance coverage within thirty (30) Calendar Days of any request by the Interconnection Customer. The Interconnection Customer and contractor or any other person acting on Interconnection Customer's behalf shall provide evidence of such insurance thirty (30) Calendar Days prior to entry by any employee or contractor or other person acting on the Interconnection Customer's behalf onto any construction site to perform any work related to the Interconnection Facilities or Generating Facility.

18.3.2 Commercial General Liability Insurance. The Distribution Provider and the Interconnection Customer shall maintain commercial general liability insurance coverage commencing within thirty (30) Calendar Days of the Effective Date of this GIA, including coverage for premises and operations, bodily injury (including death), personal injury, property damage, products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, and (i) liability of Distribution Provider and the Interconnection Customer that would be imposed without the GIA, or (ii) liability assumed by the Distribution Provider and the Interconnection Customer in a contract or agreement that is an "insured contract" under commercial general liability insurance policy. Such insurance shall include no cross liability exclusions or separation of insured clause endorsement exclusions, with minimum limits of one million dollars (\$1,000,000) per occurrence/one million dollars (\$1,000,000) aggregate. If the activities of the Interconnection Customer are being conducted through the actions of an Affiliate, then the Interconnection Customer may satisfy the insurance requirements of this Article 18.3.2 by providing evidence of insurance coverage carried by such Affiliate and showing the Distribution Provider as an additional insured only with respect to the GIA, together with the Interconnection Customer's written representation to the Distribution Provider that the insured Affiliate is conducting all of the necessary pre-construction work. Within thirty (30) Calendar Days prior to the entry of any person on behalf of the Interconnection Customer onto any construction site to perform work related to the Interconnection Facilities or Generating Facility, the Interconnection Customer shall replace any evidence of Affiliate insurance with evidence of such insurance carried by the Interconnection Customer, naming the Distribution Provider as additional insured only with respect to the GIA.

18.3.3 Business Automobile Liability Insurance. Prior to the entry of any vehicles on any construction site in connection with work done by or on behalf of the Interconnection Customer, the Interconnection Customer shall provide evidence of 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. The Interconnection Customer shall include the

Distribution Provider as an additional insured with respect to the GIA on any such policies.

- 18.3.4 Excess Liability Insurance.** Commencing at the time of entry of any person on its behalf upon any construction site for the Distribution Upgrades, Interconnection Facilities, or Generating Facility, the Distribution Provider and the Interconnection Customer shall maintain excess liability insurance over and above the Employers' Liability, Commercial General Liability, and Business Automobile Liability Insurance coverage, with a minimum limit of one million dollars per MW, of Generating Facility capacity, rounded up to the nearest MW, per occurrence, up to a maximum of twenty million dollars (\$20,000,000) per occurrence/twenty million dollars (\$20,000,000) aggregate. Such insurance carried by the Distribution Provider shall include the Interconnection Customer as an additional insured with respect to the GIA, and such insurance carried by the Interconnection Customer shall include the Distribution Provider as an additional insured with respect to the GIA. The requirements of Article 18.3.2 and 18.3.4 may be met by any combination of general and excess liability insurance.
- 18.3.5** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies shall include the other Party identified in the articles above, its parent, their subsidiaries, 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 GIA against the Other Party Group. If any Party can reasonably demonstrate that coverage policies containing provisions for insurer waiver of subrogation rights, or advance notice are not commercially available, then the Parties shall meet and confer and mutually determine to (i) establish replacement or equivalent terms in lieu of subrogation or notice or (ii) waive the requirements that coverage(s) include such subrogation provision or require advance written notice from such insurers.
- 18.3.6** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies shall contain provisions that specify that the policies are primary and non-contributory. Each Party shall be responsible for its respective deductibles or self-insured retentions.
- 18.3.7** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess 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 GIA, which coverage may be in the form of extended reporting period coverage if agreed by the Parties.
- 18.3.8** [Not Used.]
- 18.3.9** Thirty (30) Calendar Days prior to the start of any work at the construction site related to Interconnection Facilities or Generating Facility under this GIA, 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 a certificate of insurance for all insurance required in this GIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure (a) to meet the minimum insurance requirements of Article 18.3.1, to the extent that it maintains a self-insurance program and is a qualified self-insurer within the state in which the Point of Interconnection is located, under the laws and regulations of such state; and (b) to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.9 to the extent it maintains a self-insurance program; provided that, such Party is organized under the laws of the United States or a political subdivision thereof and such Party's rating for its senior unsecured, long-term debt (not supported by third party credit enhancements) or if such Party does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such Party by Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor ("S&P") or Moody's Investor Services, Inc. or its successor ("Moody's") is (i) if rated by S&P and Moody's is rated at least "BBB-" by S&P and "Baa3" by Moody's, or (ii) if rated by only one of S&P or Moody's, rated at least "BBB-" by S&P or "Baa3" by Moody's, and (iii) that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.9. For any period of time that a Party's senior unsecured, long-term debt is unrated by S&P or Moody's, or its unsecured long-term debt or the rating assigned to such Party does not meet the requirements in (i) or (ii), 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 Party 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 greater than \$25,000, including within the scope of coverage of such insurance whether or not such coverage is sought.

Article 19. Assignment

19.1 Assignment. This GIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this GIA 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 GIA; and provided further that Interconnection Customer shall have the right to assign this GIA, without the consent of Distribution Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Interconnection Customer will promptly notify Distribution Provider of any such

assignment. Any financing arrangement entered into by 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 Distribution Provider of the date and particulars of any such exercise of assignment right(s), including providing the Distribution Provider 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 GIA 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 GIA 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 GIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Distribution Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

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

Article 22. Confidentiality

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

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

If requested by either Party, the other Party 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 GIA, and for a period of three (3) years after the expiration or termination of this GIA, 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 GIA; or (6) is required, in accordance with Article 22.1.7 of the GIA, 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 GIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this GIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

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

22.1.5 No Warranties. By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by

supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

- 22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this GIA or its regulatory requirements.
- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this GIA. 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 GIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.
- 22.1.9 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party 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 CFR 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 GIA, 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 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this GIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the GIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR 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, any information that a Party claims is competitively sensitive, commercial or financial information under this GIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this GIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other 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 Party, 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 Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes

aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

- 24.1 Information Acquisition.** Distribution Provider and 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 Distribution Provider.** The initial information submission by Distribution Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Distribution System and Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Distribution Provider shall provide Interconnection Customer a status report on the construction and installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Generating Facility data requirements contained in Appendix 1 to the GIP. It shall also include any additional information provided to Distribution Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Distribution Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.
- If Interconnection Customer's data is materially different from what was originally provided to Distribution Provider pursuant to the Interconnection Study Agreement between Distribution Provider and Interconnection Customer, then Distribution Provider will conduct appropriate studies to determine the impact on Distribution Provider Distribution System and Transmission System 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.
- 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" Generating Facility 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 Generating Facility as required by Good Utility Practice such as an open circuit “step voltage” test on the Generating Facility to verify proper operation of the Generating Facility’s automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Generating Facility 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 Generating Facility’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Generating Facility terminal or field voltages is provided. Generating Facility testing shall be conducted and results provided to Distribution Provider for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, Interconnection Customer shall provide Distribution Provider any information changes due to equipment replacement, repair, or adjustment. Distribution Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Distribution Provider-owned substation that may affect Interconnection Customer’s Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

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 GIA; and (ii) carry out its obligations and responsibilities under this GIA. 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 GIA.

25.2 Reporting of Non-Uncontrollable Force Events. Each Party (the “notifying Party”) shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this GIA for a reason other than an Uncontrollable Force 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 GIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this GIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this GIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, -Distribution Provider's efforts to allocate responsibility for interruption or reduction of generation on the Distribution System, and each Party's actions in an Emergency Condition. 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 Party's performance and satisfaction of obligations under this GIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades shall be subject to audit for a period of twenty-four months following Distribution Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this GIA 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.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, 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.

Article 26. Subcontractors

26.1 General. Nothing in this GIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this GIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this GIA 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 GIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Distribution Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this GIA. Any applicable obligation imposed by this GIA 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

27.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this GIA 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 GIA.

27.2 External Arbitration Procedures. Any arbitration initiated under this GIA 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 GIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, Distribution Upgrades, 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 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 GIA 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 GIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this GIA, to become a Party hereto and to perform its obligations hereunder. This GIA 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 GIA 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 GIA 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 GIA, and it will provide to any Governmental Authority notice of any actions under this GIA that are required by Applicable Laws and Regulations.

Article 29. [Reserved]

Article 30. Miscellaneous

- 30.1 Binding Effect.** This GIA 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 GIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this GIA shall prevail and be deemed the final intent of the Parties.
- 30.3 Rules of Interpretation.** This GIA, 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 GIA, 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 GIA), 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 GIA or such Appendix to this GIA, or such Section to the GIP or such Appendix to the GIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this GIA 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 GIA, 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 GIA. There are no other agreements, representations, warranties, or covenants which constitute any part

of the consideration for, or any condition to, either Party's compliance with its obligations under this GIA.

30.5 No Third Party Beneficiaries. This GIA 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 GIA to insist, on any occasion, upon strict performance of any provision of this GIA 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 GIA 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 GIA. Termination or Default of this GIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Distribution Provider. Any waiver of this GIA shall, if requested, be provided in writing.

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

30.8 Multiple Counterparts. This GIA 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 GIA by a written instrument duly executed by the Parties.

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

30.11 Reservation of Rights. Distribution Provider shall have the right to make a unilateral filing with FERC to modify this GIA 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 GIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this GIA 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

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thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This GIA 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 either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

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

[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____

Name: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Name: _____

Title: _____

Date: _____

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Appendix A to GIA

Description of Interconnection Facilities, Network Upgrades, Distribution Upgrades, Costs and Financial Security

Additional Definitions:

1. Interconnection Facilities:

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

(b) [insert Distribution Provider's Interconnection Facilities]:

2. Network Upgrades:

(a) [insert Stand Alone Network Upgrades]:

(b) [insert Other Network Upgrades]:

3. Distribution Upgrades:

4. Point of Change of Ownership, Point of Interconnection and One-Line Diagram of Interconnection:

5. Cost of Interconnection Facilities, Distribution Upgrades and Network Upgrades, Payment Schedule, On-Going Monthly Charges and Financial Security:

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Appendix B to GIA

Milestones

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Appendix C to GIA

Interconnection Details

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Appendix D to GIA

Security Arrangements Details

Infrastructure security of Distribution System and Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Distribution System reliability and operational security. FERC will expect the ISO, all transmission providers, market participants, and interconnection customers interconnected to the Distribution System and Transmission System 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.

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Appendix E to GIA

Commercial Operation Date

This Appendix E is a part of the GIA between Distribution Provider and Interconnection Customer.

[Date]

[Distribution Provider Address]

Re: _____ Generating Facility

Dear _____:

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

Thank you.

[Signature]

[Interconnection Customer Representative]

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Appendix F to GIA

Addresses for Delivery of Notices and Billings

Notices:

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

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

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

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Appendix G to GIA

**Interconnection Customer's Share of Costs of Network Upgrades for Applicable Project
Group**

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APPENDIX 7 to GIP

**GENERATOR INTERCONNECTION AGREEMENT (GIA)
FOR A GENERATING FACILITY
INTERCONNECTING UNDER THE FAST TRACK PROCESS**

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[Attachment 2](#) – Description and Costs of the Generating Facility, Interconnection Facilities, and Metering Equipment

[Attachment 3](#) – One-line Diagram Depicting the Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

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[Attachment 4](#) – Milestones

[Attachment 5](#) – Additional Operating Requirements for the Distribution Provider's Distribution System and Affected Systems Needed to Support the Interconnection Customer's Needs

[Attachment 6](#) – Distribution Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

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This Interconnection Agreement ("Agreement" or "GIA") is made and entered into ~~this~~
~~_____ day of _____, 20__~~, by _____
("Distribution Provider"), and _____
("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or
both referred to collectively as the "Parties."

Distribution Provider Information

Distribution Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ ~~E-mail~~ ~~Fax~~: _____

Interconnection Customer Information

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ ~~E-mail~~ ~~Fax~~: _____

Interconnection Customer Application No: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

- 1.1 This Agreement shall be used for all Interconnection Requests submitted under the Fast Track Process of the Generator Interconnection Procedures (GIP) contained in Section 6 of Attachment I to the Tariff.
- 1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Generating Facility will interconnect with, and operate in parallel with, the Distribution Provider's Distribution System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between the Distribution Provider and the Interconnection Customer.

1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 The Distribution Provider shall construct, operate, and maintain its Distribution System, Transmission System, Interconnection Facilities, Distribution Upgrades and Network Upgrades in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Distribution Provider and any Affected Systems. The Interconnection Customer shall comply with the Distribution Provider's Interconnection Handbook. In the event of a conflict between the terms of this GIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this GIA shall govern.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership unless otherwise specified in the Attachments to this Agreement. The Distribution Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Distribution Provider's Transmission System, Distribution System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

- 1.5.6 The Distribution Provider shall coordinate with Affected Systems to support the interconnection.
- 1.5.7 The Interconnection Customer shall ensure “frequency ride through” capability and “voltage ride through” capability of its Generating Facility. The Interconnection Customer shall enable these capabilities such that its Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Distribution Provider and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to article 2.1 of this Agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the control area on a comparable basis.
- 1.6 Parallel Operation Obligations
Once the Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for the Distribution Provider's Distribution System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.
- 1.7 Metering
The Interconnection Customer shall be responsible for the Distribution Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.
- 1.8 Reactive Power
- 1.8.1 Power Factor Design Criteria
- 1.8.1.1 Synchronous Generation. The Interconnection Customer shall design its Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established different requirements that apply to all similarly situated synchronous generators in the control area on a comparable basis.
- 1.8.1.2 Non-Synchronous Generation. The Interconnection Customer shall design its Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation, or equivalent location

when there is not a generator substation, at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established a different power factor range that applies to all similarly situated non-synchronous generators in the control area on a comparable basis. This power factor range standard shall be dynamic and can be met 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not executed a GIA, or requested the filing of an unexecuted GIA, as of the effective date of the Final Rule establishing this requirement (Order No. 827).

- 1.8.2 Payment to the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Generating Facility when the ISO or, at the direction of the ISO, the Distribution Provider requests the Interconnection Customer to operate its Generating Facility outside the range specified in article 1.8.1 will be made by the ISO in accordance with the applicable provisions of the ISO Tariff.
- 1.8.3 Payment to the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Generating Facility when, in response to a emergency on the Distribution System, the Distribution Provider requests the Interconnection Customer to operate its Generating Facility outside the range specified in article 1.8.1 shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced. In addition, if the Distribution Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.

1.9 Limitations on Charging for Storage. Generating Facilities that include storage may be subject to limits on the amount of Charging Capacity, the times during which the storage component may charge from the Distribution System, or other limitations on Charging Demand as specified in Attachment 5 of the GIA.

- 1.109 When used in this Agreement, terms with initial capitalization that are not defined in the Glossary of Terms in Attachment 1 shall have the meanings specified in the article in which they are used or in the Tariff.

Article 2. Inspection, Testing, Authorization, and Right of Access**2.1 Equipment Testing and Inspection**

2.1.1 The Interconnection Customer shall test and inspect its Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Distribution Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Distribution Provider may, at its own expense, send qualified personnel to the Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Distribution Provider a written test report when such testing and inspection is completed.

2.1.2 The Distribution Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Distribution Provider of the safety, durability, suitability, or reliability of the Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Distribution Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Distribution Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Distribution Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Generating Facility in parallel with the Distribution Provider's Distribution System without prior written authorization of the Distribution Provider. The Distribution Provider will provide such authorization once the Distribution Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

2.3.1 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 construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Generating Facility with the Distribution System; (ii) operate and maintain the Generating Facility, the Interconnection Facilities and the Distribution System; and (iii) disconnect or remove the Access Party’s facilities and equipment upon termination of this GIA. 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.

2.3.2 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Distribution Provider shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of _____ years from the Effective Date (term specified in individual agreements to be ten (10) years or such other longer period as the Interconnection Customer may request) and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

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 Agreement (if required), which notice has been accepted for filing by FERC.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Distribution Provider 20 Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Generating Facility will be disconnected from the Distribution Provider's Distribution 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 GIA or such non-terminating Party otherwise is responsible for these costs under this GIA.

3.3.4 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions -- "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 Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Distribution System, the Distribution Provider's Interconnection Facilities or any Affected Systems(s); or (3) 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 the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Distribution Provider may immediately suspend interconnection service and temporarily disconnect the Generating Facility. The Distribution Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Generating Facility. The Interconnection Customer shall notify the Distribution Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Distribution Provider's Distribution System or any Affected Systems. 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 both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Distribution Provider may interrupt interconnection service or curtail the output or Charging Demand of the Generating Facility and temporarily disconnect the Generating Facility from the Distribution Provider's Distribution System when necessary for routine maintenance, construction, and repairs on the Distribution Provider's Distribution System and/or Transmission System. The Distribution

Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Distribution Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the Distribution Provider may suspend interconnection service to effect immediate repairs on the Distribution Provider's Distribution System and/or Transmission System. The Distribution Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Distribution Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Distribution Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Generating Facility could cause damage to the Distribution Provider's Distribution System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect, including reduction of the Charging Demand as directed by the Distribution Provider, within a reasonable time, the Distribution Provider may disconnect the Generating Facility. The Distribution Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Generating Facility

The Interconnection Customer must receive written authorization from the Distribution Provider before making any change to the Generating Facility that may have a material impact on the safety or reliability of the Distribution System and/or the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Distribution Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Generating Facility, Interconnection Facilities, and the Distribution Provider's Distribution System and/or Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Distribution Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Distribution Provider.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Distribution Provider's Interconnection Facilities.

4.2 Distribution Upgrades

The Distribution Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer or as specified in the Attachments to this Agreement. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Distribution Provider or the Distribution Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Distribution Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.2.1 Repayment of Amounts Advanced for Network Upgrades

The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Distribution Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Distribution Provider's Tariff and Affected System's Tariff for transmission services with respect to the Generating Facility. 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 pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the Distribution Provider, and any applicable Affected System operators may adopt any alternative payment schedule that is mutually agreeable so long as the Distribution Provider and said Affected System operators take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Distribution Provider or any applicable Affected System operators will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

5.2.1.2 If the Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Distribution Provider and Affected System operator shall at that time reimburse the 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.

5.3 Special Provisions for Affected Systems

Unless the Distribution Provider provides, under this Agreement, for the repayment of amounts advanced to any applicable Affected System operators for Network Upgrades,

the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, 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 Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Distribution Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within ~~six (6)~~three months of completing the construction and installation of the Distribution Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Distribution Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Distribution Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Distribution Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Distribution Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Distribution Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be

extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Uncontrollable Force Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Distribution Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Distribution Provider, 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 Distribution Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Distribution Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Distribution Provider under this Agreement during its term. In addition:

- 6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Distribution Provider, 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.
- 6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Distribution Provider and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Uncontrollable Force, Consequential Damages, and Default

7.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

- 7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the

assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Distribution Provider of any such assignment;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Distribution Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that the Interconnection Customer will promptly notify the Distribution Provider of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.

7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person 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.

7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Uncontrollable Force

7.5.1 As used in this article, an Uncontrollable Force Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force Event does not include an act of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force."

7.5.2 If an Uncontrollable Force Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Uncontrollable Force Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Uncontrollable Force Event. The notification must specify in reasonable detail the circumstances of the Uncontrollable Force Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to

the Uncontrollable Force Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Uncontrollable Force Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of an Uncontrollable Force Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Distribution Provider, except that the Interconnection Customer shall show proof of insurance to the Distribution Provider no later than ten Business Days prior to the

anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

- 8.2 The Distribution Provider agrees to maintain general liability insurance or self-insurance consistent with the Distribution Provider's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Distribution Provider's liabilities undertaken pursuant to this Agreement.
- 8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
- 9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
- 9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, 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 Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC,

the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 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.

Article 10. Disputes

- 10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 11. Taxes

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Distribution Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous**12.1 Governing Law, Regulatory Authority, and Rules**

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties, or under article 12.12 of this Agreement.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

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

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

12.5 Entire Agreement

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

12.6 Multiple Counterparts

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

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all transmission providers, market participants, and interconnection customers interconnected to electric systems 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 are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, 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 Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each

Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Distribution Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

The Distribution Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: _____

Attention: _____

Southern California Edison Company
FERC Electric Tariff, Second Revised Volume No. 5

Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ ~~E-mail~~Fax: _____

If to the Distribution Provider:

Distribution Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ ~~E-mail~~Fax: _____

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____

Distribution Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement 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 below:

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ ~~E-mail~~Fax: _____

If to the Distribution Provider:

Distribution Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ ~~E-mail~~Fax: _____

Southern California Edison Company
FERC Electric Tariff, Second Revised Volume No. 5

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ ~~E-mail~~ ~~Fax~~: _____

Distribution Provider's Operating Representative:

Distribution Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ ~~E-mail~~ ~~Fax~~: _____

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Distribution Provider

Name: _____

Title: _____

Date: _____

For the Interconnection Customer

Southern California Edison Company
FERC Electric Tariff, Second Revised Volume No. 5

Name: _____

Title: _____

Date: _____

Attachment 1**Glossary of Terms**

Affected System – An electric system other than the Distribution Provider's Distribution System that may be affected by the proposed interconnection, including but not limited to the Transmission System.

Annual Tax Security Reassessment – The annual reassessment of the current tax liability in accordance with the directives of FERC Orders 2003-A and 2003-B, which will commence the first year after Interconnection Customer's in-service date.

Applicable Laws and Regulations – 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 – The reliability council applicable to the Distribution System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards – The requirements and guidelines of NERC, the Applicable Reliability Council, and the control area of the Distribution System to which the Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.

Business Day – Monday through Friday, excluding Federal Holidays.

Charging Capacity – The capacity provided under the GIA to meet the Charging Demand of a Generating Facility that includes storage, subject to available capacity on the Distribution System and any operating conditions and/or limitations as may be set forth in Attachment 5 of the GIA.

Charging Demand – The flow of wholesale electric energy from the Distribution System solely to charge the storage component of the Generating Facility from the Distribution System for later redelivery of such energy, net of Generating Facility losses, to the Distribution System. Charging Demand does not include the delivery of energy for purposes that are subject to the Distribution Provider's retail tariff.

Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities – As defined in Attachment J of the Tariff. The currently effective Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities is as provided in Attachment J of the Tariff.

Default – The failure of a breaching Party to cure its breach under the Generator Interconnection Agreement.

Distribution Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the Generator Interconnection Agreement to the extent necessary.

Distribution Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Distribution Provider should be read to include the Distribution Owner when the Distribution Owner is separate from the Distribution Provider.

Distribution System – Those non-ISO transmission and distribution facilities, owned, controlled and operated by the Distribution Provider that are used to provide distribution service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Distribution Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Distribution Upgrades Charge – The monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Distribution Upgrades, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Distribution Upgrades Cost. The Distribution Upgrades Charge is provided in Attachment 2 to the GIA.

Distribution Upgrades Completion Date – The date upon which the construction of the Distribution Upgrades is complete and such facilities are successfully tested and ready for service.

Distribution Upgrades Cost – The Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Upgrades. The Distribution Upgrades Cost is provided in Attachment 2 to the GIA.

Fast Track Process – The interconnection study process set forth in Section 6 of the Generator Interconnection Procedures for a proposed certified Generating Facility that is no larger than 2 MW and that meets the codes, standards, and certification requirements of Appendices 8 and 9 of the Generator Interconnection Procedures, or the Distribution Provider has reviewed the design or tested the proposed Generating Facility and is satisfied that it is safe to operate.

Generating Facility –The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request being interconnected under the Fast Track Process, but shall not include the Interconnection Customer's Interconnection Facilities.

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

Governmental Authority – 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, the Distribution Provider, or any affiliate thereof.

Interconnection Customer – Any entity, including the Distribution Provider, Distribution Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Distribution Provider's Distribution System.

Interconnection Facilities – The Distribution Provider'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 Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Facilities Charge – The monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Attachment 2 to the GIA.

Interconnection Facilities Completion Date – The date upon which the construction of the Distribution Provider's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.

Interconnection Facilities Cost – All costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Provider’s Interconnection Facilities. The Interconnection Facilities Cost is provided in Attachment 2 to the GIA.

Interconnection Handbook - A handbook, developed by the Distribution Provider and posted on the Distribution Provider’s website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. In the event of a conflict between the terms of this GIA and the terms of the Distribution Provider’s Interconnection Handbook, the terms in this GIA shall govern.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Distribution Provider’s Distribution System.

ISO Tariff – The California Independent System Operator Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time, and accepted by FERC.

ITCC (Income Tax Component of Contribution) – As defined in Attachment J of the Tariff.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request, or any other valid interconnection request to the Distribution Provider or the ISO, with a later queue priority date.

NERC – The North American Electric Reliability Corporation or its successor organization.

Network Upgrades – Additions, modifications, and upgrades to the Distribution Provider's Transmission System required at or beyond the point at which the Distribution System connects to the Distribution Provider’s Transmission System to accommodate the interconnection of the Generating Facility to the Distribution Provider’s Distribution System. Network Upgrades do not include Distribution Upgrades.

Network Upgrades Cost – The Interconnection Customer’s allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Network Upgrades. The Network Upgrades Cost is provided in Attachment 2 to the GIA.

One-Time Cost – All costs determined by the Distribution Provider to be associated with the installation of the Distribution Provider’s Interconnection Facilities, Distribution Upgrades, or Network Upgrades which are not capitalized. The One-Time Cost is provided in Attachment 2 to the GIA.

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Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, the California Independent System Operator Corporation, control area, or the Distribution Provider's requirements, including those set forth in the Generator Interconnection Agreement.

Party or Parties – The Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Distribution Provider's Distribution System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Generator Interconnection Agreement, 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.

Remedial Action Scheme (RAS) – A scheme designed to detect predetermined system conditions and automatically take corrective actions that may include, but are not limited to, adjusting or tripping generation.

Tariff – The Wholesale Distribution Access Tariff, the Distribution Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

Tax Security – The Interconnection Customer's provision of security with respect to the Interconnection Customer's tax indemnification obligations. The Tax Security is provided in Attachment 2 to the GIA.

Transmission System – Those facilities owned by the Distribution Provider that have been placed under the ISO's operational control and are part of the ISO Grid.

Upgrades – The required additions and modifications to the Distribution Provider's Distribution System and Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

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Attachment 2

Description and Costs of the Generating Facility, Interconnection Facilities, and Metering Equipment

Equipment, including the Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Distribution Provider, or the Distribution Owner. The Distribution Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

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Attachment 3

**One-line Diagram Depicting the Generating Facility, Interconnection
Facilities, Metering Equipment, and Upgrades**

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Attachment 4

Milestones

In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

Item	Milestone	Responsible Party	Due Date
(a)	_____	_____	_____
(b)	_____	_____	_____
(c)	_____	_____	_____
(d)	_____	_____	_____
(e)	_____	_____	_____
(f)	_____	_____	_____
(g)	_____	_____	_____
(h)	_____	_____	_____
(i)	_____	_____	_____
(j)	_____	_____	_____

Agreed to by:

For the Distribution Provider _____ Date _____

For the Distribution Owner (If Applicable) _____ Date _____

For the Interconnection Customer _____ Date _____

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Attachment 5

**Additional Operating Requirements for the Distribution Provider's
Distribution System and Affected Systems Needed to Support
the Interconnection Customer's Needs**

The Distribution Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Distribution Provider's Distribution System.

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Attachment 6

**Distribution Provider's Description of its Upgrades
and Best Estimate of Upgrade Costs**

The Distribution Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Distribution Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

1. Preamble and Applicability**1.1 (Not Used)****1.2 Applicability**

The Distribution Provider will provide Distribution Service pursuant to the applicable terms and conditions contained in this Tariff and Service Agreement. The Tariff is applicable for the transportation of capacity and energy that is (1) generated or purchased by a Distribution Customer at a generation source and transported to the ISO Grid using the Distribution Provider's Distribution System, (2) generated or purchased by a Distribution Customer from generation sources and transported from the ISO Grid to the Distribution Customer's Service Area using the Distribution Provider's Distribution System, or (3) generated or purchased by a Distribution Customer from generation sources and transported from the ISO Grid to the Distribution Customer's Resource for the Charging Demand, using the Distribution Provider's Distribution System. The Tariff is also applicable for delivery to the ISO Grid of any capacity and energy generated or purchased by the Distribution Provider that uses the Distribution Provider's Distribution System. Distribution Service shall be provided between the Distribution Provider's interconnection with the ISO Grid and the Distribution Customer's interconnection with the Distribution Provider's Distribution System. The Distribution Customer shall obtain and pay for Transmission Service from the ISO for such energy and capacity delivered to the ISO Grid or for energy and capacity received from the ISO Grid pursuant to the terms and conditions of the ISO Tariff and the TO Tariff. Service hereunder shall not be available if the Commission would be prohibited from ordering such service under Section 212(h) of the Federal Power Act.

2. Definitions

Terms used in this Tariff with initial capitalization shall have the meanings set forth below. The singular of any definition shall include the plural and the plural shall include the singular.

- 2.1 Application: A request by an Eligible Customer for Distribution Service pursuant to the provisions of this Tariff.
- 2.2 Charging Capacity: The capacity provided under a Service Agreement to meet the Charging Demand of a Resource that includes storage, subject to available capacity on the Distribution System and any operating conditions and/or limitations as may be set forth in the Service Agreement.
- 2.3 Charging Demand: The flow of wholesale electric energy from the Distribution System solely to charge the storage component of the Eligible Customer's Resource from the Distribution System for later redelivery of such energy, net of Resource losses, to the Distribution System. Charging Demand does not include the delivery of energy for purposes that are subject to the Distribution Provider's retail tariff.
- 2.4 Commission: The Federal Energy Regulatory Commission.
- 2.5 Completed Application: An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.
- 2.6 Curtailement: A reduction in Distribution Service by the Distribution Provider in response to a Distribution System capacity shortage as a result of system reliability conditions or pursuant to a directive of the ISO.
- 2.7 Direct Assignment Facilities: Facilities or portions of facilities that are constructed by the Distribution Provider for the sole use/benefit of a particular Distribution Customer requesting service under the Tariff. Direct Assignment

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Facilities shall be specified in the Service Agreement that governs service to the Distribution Customer and shall be subject to Commission approval.

- 2.8 Distribution Customer: Any Eligible Customer that (i) executes a Service Agreement or (ii) requests in writing that the Distribution Provider file with the Commission, a proposed unexecuted Service Agreement to receive Distribution Service pursuant to the terms of the Tariff.
- 2.9 Distribution Provider: Southern California Edison Company, the public utility that owns, controls, and operates facilities used for the distribution of electric energy and provides Distribution Service under the Tariff.
- 2.10 Distribution Service: The wholesale distribution service provided under the Tariff.
- 2.11 Distribution System: Those non-ISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide Distribution Service under the Tariff.
- 2.12 Distribution System Upgrades: Modifications or additions to the Distribution Provider's Distribution System for the general benefit of all users of such Distribution System.
- 2.13 Eligible Customer: Any electric utility (including the Distribution Provider and any power marketer), Federal power marketing agency, or any person generating or storing electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy purchased or generated by such entity may be electric energy produced in the United States, Canada or Mexico. However, no entity is eligible for service hereunder that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act.

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- 2.14 End-Use Customer: A customer that takes final delivery of electric power and does not resell the power.
- 2.15 Facilities Study: An engineering study conducted by the Distribution Provider to determine the required modifications to the Distribution Provider's Distribution System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested Distribution Service.
- 2.16 Generation: The capacity and energy delivered from a Resource.
- 2.17 Good Utility Practice: Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the Western Systems Coordinating Council region.
- 2.18 ISO: The California Independent System Operator Corporation, a state-chartered, nonprofit, public benefit corporation that controls certain transmission facilities of all Participating TOs and dispatches certain generating units and loads.
- 2.19 ISO Grid: The system of transmission lines and associated facilities of the Participating TOs that have been placed under the ISO's operational control.

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- 2.20 ISO Tariff: The California Independent System Operator Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time, and accepted by the Commission.
- 2.21 Load Shedding: The systematic reduction of system demand by temporarily decreasing load in response to Distribution System capacity shortages, system instability, or voltage control considerations under the Tariff or pursuant to a directive of the ISO.
- 2.22 Participating Transmission Owner (TO): An entity which (i) owns, operates, and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities and (ii) has transferred to the ISO operational control of such facilities and/or entitlements to be made part of the ISO Grid.
- 2.23 Parties: The Distribution Provider and the Distribution Customer receiving service under the Tariff.
- 2.24 Point of Delivery: A point on the Distribution Provider's Distribution System where wholesale capacity and energy generated by the Distribution Customer's Resource will be delivered to the ISO Grid, or where wholesale capacity and energy delivered by the Distribution Provider will be made available to the Distribution Customer to serve Wholesale Distribution Load or Charging Demand. The Point of Delivery shall be specified in the Service Agreement.

- 2.25 Point of Receipt: A point on the Distribution Provider's Distribution System where wholesale capacity and energy generated by the Distribution Customer's Resource will be delivered to the Distribution Provider, or where wholesale capacity and energy purchased by a Distribution Customer is delivered from the ISO Grid to the Distribution Provider. The Point of Receipt shall be specified in the Service Agreement.
- 2.26 Power Customers: The wholesale and retail power customers of the Distribution Provider on whose behalf the Distribution Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Distribution Provider's distribution system to meet the reliable electric needs of such customers.
- 2.27 Resource: Any generating facility owned by a Distribution Customer that is capable of producing, and/or storing for later injection, and delivering energy to the ISO Grid.
- 2.28 Service Agreement: The initial agreement and any amendments or supplements thereto entered into by the Distribution Customer and the Distribution Provider for service under the Tariff.
- 2.29 Service Area: An area in which an electric utility is obligated to provide electric service to End-Use customers.
- 2.30 Service Commencement Date: The date the Distribution Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Distribution Provider begins to provide service in accordance with Section 14.1 of the Tariff.
- 2.31 System Impact Study: An assessment by the Distribution Provider of (i) the adequacy of the Distribution System to accommodate a request for

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Distribution Service and (ii) whether any additional costs may be incurred in order to provide Distribution Service.

- 2.32 Tariff: This Wholesale Distribution Access Tariff.
- 2.33 TO Tariff: A tariff setting out a Participating TO's rates and charges for transmission access to the ISO Grid, filed with the Commission on March 31, 1997, as it may be amended or superseded, and accepted by the Commission.
- 2.34 Transmission Service: The transmission service provided over the ISO Grid under the terms and conditions of the ISO Tariff and the TO Tariff.
- 2.35 Wholesale Distribution Load: The End-Use Customers' load that a Distribution Customer serves from distribution facilities that it owns or controls to deliver capacity and energy to such End-Use Customers and for which Distribution Service is obtained under the Tariff.

12. Nature of Distribution Service**12.1 Distribution Provider Responsibilities**

The Distribution Provider will plan, construct, operate and maintain its Distribution System in accordance with Good Utility Practice in order to provide the Distribution Customer with Distribution Service over the Distribution Provider's Distribution System. The Distribution Provider shall include the Distribution Customer's Generation or Wholesale Distribution Load in its Distribution System planning and shall, consistent with Good Utility Practice, endeavor to construct and place into service sufficient Distribution System facilities to deliver the Distribution Customer's Generation to the ISO Grid or the Distribution Customer's power to serve its Wholesale Distribution Load on a basis comparable to the Distribution Provider's delivery of power to the ISO Grid or to the Distribution Provider's Power Customers.

12.2 Term

The minimum term for Distribution Service shall be one year.

12.3 (Not Used)**12.4 (Not Used)****12.5 Service Agreements**

The Distribution Provider shall offer a standard form Service Agreement for Wholesale Distribution Service (Attachment A) to an Eligible Customer when it submits a Completed Application for Distribution Service. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

12.6 (Not Used)**12.7. Load Shedding and Curtailment of Distribution Service****12.7.1 Procedures**

Prior to the Service Commencement Date, the Distribution Provider and the Distribution Customer shall establish Load Shedding and Curtailment procedures pursuant to the applicable Attachment B or Attachment C of the Tariff with the objective of responding to contingencies on the Distribution System. The Parties will implement such programs during any period when the Distribution Provider determines that a Distribution System contingency exists and such procedures are necessary to alleviate such contingency. The Distribution Provider will notify the Distribution Customer in a timely manner of the existence of such contingency.

12.7.2 Distribution Constraints

During any period when the Distribution Provider determines that a constraint exists on all or a portion of its Distribution System, and such constraint may impair the reliability of its Distribution System, the Distribution Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Distribution Provider's Distribution System.

12.7.3 Curtailments of Scheduled Deliveries

If a constraint on the Distribution Provider's Distribution System cannot be relieved through the implementation of other procedures and the Distribution Provider determines that it is necessary to Curtail ISO-scheduled deliveries, the Parties shall Curtail such ISO schedules in accordance with the applicable Attachment B or Attachment C of the Tariff.

12.7.4 Allocation of Curtailments

The Distribution Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieves the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be proportionately shared by the Distribution Provider and Distribution Customer. The Distribution Provider shall not direct the Distribution Customer to Curtail ISO schedules to an extent greater than the Distribution Provider would Curtail the Distribution Provider's ISO schedules under similar circumstances. Notwithstanding the foregoing, the Distribution Service provided for the Charging Demand is based on existing Distribution System capacity and is subject to Curtailment by the Distribution Provider, on an equitable and non-discriminatory basis, but before the Curtailment of Power Customers' retail load and Wholesale Distribution Load, to the extent practicable and consistent with Good Utility Practice.

12.7.5 Load Shedding

To the extent that a system contingency exists on the Distribution Provider's Distribution System and the Distribution Provider determines that it is necessary for the Distribution Provider and the Distribution Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the applicable Attachment B or Attachment C of the Tariff.

12.7.6 System Reliability

Notwithstanding any other provisions of this Tariff, the Distribution Provider reserves the right, consistent with Good Utility Practice and on a

not unduly discriminatory basis, to Curtail Distribution Service without liability on the Distribution Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Distribution Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Distribution Provider's Distribution System or on any other system(s) directly or indirectly interconnected with the Distribution Provider's Distribution System, the Distribution Provider, consistent with Good Utility Practice, also may Curtail Distribution Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to distribution facilities, or (iii) expedite restoration of service. The Distribution Provider will give the Distribution Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Distribution Service will not be unduly discriminatory relative to the Distribution Provider's use of the Distribution System. The Distribution Provider shall specify in the Service Agreement the rate treatment and all related terms and conditions applicable in the event that the Distribution Customer fails to respond to established Load Shedding and Curtailment procedures.

12.8 (Not Used)

12.9 Scheduling of Distribution Service

Separate schedules for Distribution Service shall not be required under this Tariff. In transmission schedules submitted to the ISO, the Distribution Customer shall include its Generation, Charging Demand or Wholesale Distribution Load,

including applicable Distribution System real power losses, for which Distribution Service is being provided pursuant to this Tariff.

12.10 Self Provision of Ancillary Services

Nothing in this Tariff is intended to limit a Distribution Customer in the self provision or sale of Ancillary Services, to the extent the Distribution Customer is eligible to self provide or sell Ancillary Services under the terms of the ISO Tariff or contracts, except when emergency conditions preclude such provision of ancillary services. Except to the extent that a Distribution Customer may be called upon to provide reactive power support consistent with the operations of the Distribution Provider, a Distribution Customer must maintain power factor at the interface between the Distribution Customer's facilities and the Distribution Provider's facilities pursuant to Section 20.4.

12.11 Conflict With ISO Tariff

If a Distribution Customer identifies a conflict between this Tariff and the ISO Tariff, the Distribution Provider and the Distribution Customer shall make good-faith efforts to resolve the conflict. If the Parties are unable to informally resolve the conflict, the Parties may use the Dispute Resolution Procedures set forth in Section 9 of this Tariff.

12.12 Conflicting Operating Instructions

In the event a Distribution Customer receives conflicting operating instructions from the ISO, one or more Participating TO(s), or the Distribution Provider, and, if human safety would not knowingly be jeopardized nor electric facilities subject to damage while the Distribution Customer seeks to reconcile the conflict with the appropriate ISO, Participating TO and/or Distribution Provider employees before acting, the Distribution Customer should attempt a reconciliation. Otherwise, the

Distribution Customer shall adhere to ISO Tariff provision 4.2 and follow the ISO's instructions. In no event shall a Distribution Customer be required to follow operating instructions from the ISO if following those instructions would knowingly jeopardize human safety.

12.13 Changes in Service Requests

Under no circumstances shall the Distribution Customer's decision to change its requested Distribution Service in any way relieve the Distribution Customer of its obligation to pay the costs of facilities constructed by the Distribution Provider and charged to the Distribution Customer as reflected in the Service Agreement. However, the Distribution Provider must treat any requested change in Distribution Service in a non-discriminatory manner.

12.14 Annual Generation or Wholesale Distribution Load and Information Updates

The Distribution Customer shall provide the ISO and the Distribution Provider with annual updates of Generation or Wholesale Distribution Load forecasts consistent with those included in its Application for Distribution Service under the Tariff. The Distribution Customer also shall provide the Distribution Provider with timely written notice of material changes in any other information provided in its Application relating to the Distribution Customer's Generation or Wholesale Distribution Load or other aspects of its facilities or operations affecting the Distribution Provider's ability to provide reliable service.

13. Service Availability**13.1 General Conditions**

The Distribution Provider will provide Distribution Service over its Distribution System for the transportation of capacity and energy generated by a Distribution Customer or purchased by a Distribution Customer from generation sources located outside of the Distribution Customer's Service Area using the Distribution Provider's Distribution System. Distribution Service will be provided between the Point of Receipt and the Point of Delivery on a basis that is comparable to the Distribution Provider's use of the Distribution System to deliver power to the ISO Grid or to reliably serve the Distribution Provider's Power Customers.

13.2 (Not Used)**13.3 (Not Used)****13.4 (Not Used)****13.5 Technical Arrangements to be Completed Prior to Commencement of Service**

Distribution Service shall not commence until the Distribution Provider and the Distribution Customer, or a third party, have completed installation of all equipment specified under the Service Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Distribution System. The Distribution Provider shall exercise reasonable efforts, in coordination with the Distribution Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

13.6 Distribution Customer Facilities

The provision of Distribution Service shall be conditioned upon the Distribution Customer's planning, constructing, maintaining and operating the facilities on its side of the Point of Receipt or Point of Delivery necessary to reliably deliver capacity and energy to the Distribution Provider's Distribution System or accept capacity and energy from the Distribution Provider's Distribution System in accordance with Good Utility Practice. Except as otherwise provided under the Tariff, the Distribution Customer shall be solely responsible for constructing or installing all facilities on the Distribution Customer's side of each such Point of Receipt or Point of Delivery. The terms and conditions under which the Distribution Customer shall operate its facilities and the technical and operational matters associated with the implementation of the Tariff are specified in Attachment B for Wholesale Distribution Load and Attachment C for Resources.

13.7 (Not Used)**13.8 (Not Used)****13.9 Real Power Losses**

Real Power Losses are associated with all distribution service. The Distribution Provider is not obligated to provide Real Power Losses. The Distribution Customer is responsible for replacing losses associated with all Distribution Service as calculated by the Distribution Provider. Real Power Losses associated with Distribution Service are calculated by multiplying the metered quantity, whether energy or demand, by the Real Power Loss Factor calculated by the Distribution Provider. For Resources, the Real Power Loss Factor shall be: (i) 1.12% credit for the output and 1.12% loss for the Charging Demand of Resources interconnected at distribution voltages of 50 kV and above; or (ii)

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3.73% credit for the output and 3.73% loss for the Charging Demand of Resources interconnected at distribution voltages below 50 kV and greater than or equal to 2 kV.

For Wholesale Distribution Loads, the applicable Real Power Loss Factors for Distribution Service over the Distribution System will be set forth in the Service Agreement.

15. Procedures for Arranging Distribution Service

15.1 Interconnection

An Eligible Customer requesting interconnection of a Wholesale Distribution Load to the Distribution Provider's Distribution System shall follow the procedures set forth in Section 15.2 to request interconnection and Distribution Service. An Eligible Customer requesting interconnection of a Large Generating Facility to the Distribution Provider's Distribution System shall follow the LGIP, CLGIP, or GIP set forth in Attachments F, H, and I, respectively, to request Interconnection Service and Section 15.2 to request Distribution Service. An Eligible Customer requesting interconnection of a Small Generating Facility to the Distribution Provider's Distribution System shall follow the SGIP or GIP set forth in Attachments G and I, respectively, to request Interconnection Service and Section 15.2 to request Distribution Service. If the Eligible Customer requests both Interconnection Service and Distribution Service at the same time, the Distribution Provider shall process such requests concurrently in accordance with the applicable LGIP, CLGIP, SGIP, or GIP. The LGIP is closed to new interconnection requests as of August 11, 2008. The SGIP and CLGIP are closed to new interconnection requests as of March 2, 2011.

15.2 Completed Application

An Eligible Customer requesting service under the Tariff must submit an Application, with a deposit of \$2.00 per anticipated average monthly kilowatts of Generation or Wholesale Distribution Load, except that the deposit shall be waived for an Eligible Customer that contemporaneously submits with its Application a valid interconnection request and associated deposit or fee for the Resource associated with such Generation, to the Distribution Provider as far as

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possible in advance of the month in which service is to commence. In the event that the monthly charge for Distribution Service is less than \$2.00 per kilowatt, the Distribution Provider will refund the difference, with interest, to the Eligible Customer at the same time it tenders the Service Agreement. The Distribution Provider may provide for an abbreviated Application procedure and may waive the requirement for a deposit when an Eligible Customer requests that an existing distribution service be converted to Distribution Service under this Tariff.

Distribution Service to Wholesale Distribution Loads and Resources that has, prior to the effective date of this Tariff, received wholesale service over distribution facilities subject to this Tariff shall be exempted from tariff provisions requiring submission of deposits prior to receipt of service. This exemption shall not apply, however, to the extent that the Wholesale Distribution Loads and Resources whose service is to be continued require new or additional facilities. The deposit in this situation shall not exceed one month's payment associated with such facilities. Written applications should be submitted by mail or e-mail to the Distribution Provider, Southern California Edison Company, Grid Interconnection & Contract Development, P.O. Box 800, 2244 Walnut Grove Avenue, Rosemead, California 91770, e-mail grid.interconnections@sce.com. These methods will provide a date-stamped record for establishing the priority of the Application. A Completed Application shall provide all applicable information required to evaluate a request for Distribution Service, including but not limited to the following:

- (i) The identity, address, telephone number and e-mail of the party requesting service;

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- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point of Receipt or Point of Delivery;
- (iv) A description of the Wholesale Distribution Load at the Point of Delivery. This description should separately identify and provide the Eligible Customer's best estimate of the Wholesale Distribution Load to be served and the distribution voltage level. The description should include a five (5) year forecast of monthly Wholesale Distribution Load requirements beginning with the first year after the service is scheduled to commence;
- (v) The amount and location of any interruptible loads included in the Wholesale Distribution Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 5 year Wholesale Distribution Load forecast provided in response to (iv) above;
- (vi) A description of the Resource located within the distribution area (current and 5-year projection of monthly Generation), which shall include:
 - Unit size and amount of capacity from that unit
 - VAR capability (both leading and lagging) of all generators
 - Requested Charging Capacity, if applicable
 - Operating restrictions
 - Any periods of restricted operations throughout the year

- Maintenance schedules

- (vii) A written demonstration that the Eligible Customer will have the necessary contractual arrangements or existing contracts in place to receive transmission service over the ISO Grid prior to the commencement of Distribution Service under the Tariff;
- (viii) The Service Commencement Date and the term of the requested Distribution Service; and
- (ix) Such other information the Distribution Provider reasonably requires to process the Application.

Unless the parties agree to a different time frame, the Distribution Provider must acknowledge the Application within ten (10) days of receipt. The acknowledgment must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Distribution Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Distribution Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Distribution Provider shall return the Application to the Eligible Customer and shall refund the deposit, with interest, less reasonable costs incurred by the Distribution Provider in connection with the review of the Application. The Distribution Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR §

35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Distribution Provider's account. The Distribution Provider shall treat all information provided by the Eligible Customer consistent with the standards of conduct contained in Part 37 of the Commission's regulations. Requests for Distribution Service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the parties.

15.3 (Not Used)

15.4 (Not Used)

15.5 (Not Used)

15.6 Execution of Service Agreement

Whenever the Distribution Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. If a Service Agreement is executed, the deposit, with interest calculated pursuant to Section 15.2, will be returned to the Distribution Customer upon the earlier of (1) the expiration or termination of the Service Agreement; or (2) after the Distribution Customer has paid its bills for Distribution Service in accordance with the terms of the Tariff for 60 consecutive months. Where a System Impact Study is required, the provisions of Section 16 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 16.3, within fifteen (15) days after it is tendered by the Distribution Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with

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interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

15.7 (Not Used)

21. Compensation for Distribution Service**21.1 Charges Under the Tariff**

The Distribution Customer shall pay the Distribution Provider the Monthly Charge for Distribution Service, applicable study costs, and any penalties assessed pursuant to the Service Agreement, consistent with Commission policy. Any charges for Real Power Losses, Ancillary Services, and Transmission Service shall be paid by the Distribution Customer pursuant to the ISO Tariff or TO Tariff.

21.2 Monthly Charge for Distribution Service

The Distribution Customer shall pay the Distribution Provider the applicable monthly Customer Charge and Demand Charge set forth in the Service Agreement.

21.2.1 Determination of the Monthly Charge for Distribution Service to Serve Wholesale Distribution Load

The rates charged for Distribution Service from the ISO Grid to Wholesale Distribution Load shall be based on the costs of only those Distribution System facilities used to provide Distribution Service to the Distribution Customer. Upon receipt of a Completed Application, the Distribution Provider will undertake an engineering study, and any other studies pursuant to Section 16, if required, to identify such facilities. The costs of the identified facilities, including any Direct Assignment Facilities and Distribution System Upgrades, shall be directly assigned or allocated to the Distribution Customer based on the Distribution Customer's proportionate share of the total load served from the facilities. Such proportionate share shall be based on the non-coincident peak demands

served by those facilities. A traditional revenue requirement will be calculated for the costs of the identified facilities directly assigned and allocated to the Distribution Customer. The monthly Demand Charge shall be calculated by dividing the Distribution Customer's annual revenue requirement for the identified facilities allocated to the Distribution Customer by the sum of the Distribution Customer's twelve monthly maximum peak demands imposed on the Distribution System. The monthly Facilities Charge shall be calculated by dividing the Distribution Customer's annual revenue requirement for the identified facilities directly assigned to the Distribution Customer by twelve. The monthly Customer Charge shall be based on the annual revenue requirement for customer accounting expenses attributable to the Distribution Customer.

21.2.2 Monthly Charge for Distribution Service for Generation or Charging Demand

The rate charged for Distribution Service for Generation from the Resource to the ISO Grid or Charging Demand from the ISO Grid to the Resource shall be based only on the costs of those Distribution System facilities which are fully directly assigned to the Distribution Customer. Upon receipt of a Completed Application, the Distribution Provider will undertake an engineering study, and any other studies pursuant to Section 16, if required, to identify such facilities. The costs of the identified facilities shall include any Direct Assignment Facilities and Distribution System Upgrades. A traditional revenue requirement will be calculated for the costs of the identified facilities. The monthly Facilities Charge shall be calculated by dividing the Distribution Customer's annual revenue requirement for the identified facilities by twelve. The monthly Customer

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Charge shall be based on the annual revenue requirement for customer accounting expenses attributable to the Distribution Customer.

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ATTACHMENT A

FORM OF SERVICE AGREEMENT FOR WHOLESALE DISTRIBUTION SERVICE

1. This Service Agreement, dated as of _____, is entered into, by and between Southern California Edison Company ("Distribution Provider"), and _____ ("Distribution Customer").
2. The Distribution Customer has been determined by the Distribution Provider to have a Completed Application for Distribution Service under the Tariff.
3. The Distribution Customer has provided to the Distribution Provider an Application deposit in the amount of \$_____, in accordance with the provisions of Section 15.2 of the Tariff.
4. Service under this Service Agreement shall commence on the later of (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Distribution System Upgrades specified in Sections 7.0 and 8.0 of the attached Specifications For Wholesale Distribution Service are completed and all additional requirements are met pursuant to Section 13.5 of the Tariff, or (3) such other date as it is permitted to become effective by the Commission. Service under this Service Agreement shall terminate on _____.
5. The Distribution Provider agrees to provide and the Distribution Customer agrees to take and pay for Distribution Service in accordance with the provisions of the Tariff and this Service Agreement.
6. Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

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Distribution Provider:

Southern California Edison Company

Distribution Customer:

7. The Tariff and attached Specifications For Wholesale Distribution Service are incorporated herein and made a part hereof.

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IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Distribution Provider:

By: _____
Name Title Date

Distribution Customer:

By: _____
Name Title Date

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SPECIFICATIONS FOR WHOLESALE DISTRIBUTION SERVICE

1. Term of Transaction:

Service Commencement Date:

Termination Date:

2. For a Resource connected to the Distribution Provider's Distribution System, a description of capacity and energy to be transmitted by Distribution Provider and a five year forecast of monthly Generation: _____

3. Point of Receipt: _____

Point of Delivery: _____

Receiving Party: _____

4. Description of Wholesale Distribution Load at the Point of Delivery (including a five year forecast of monthly load requirements): _____

5. Interruptible Load amount (summer and winter), location and conditions/limitations (five year forecast): _____

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6. Capacity and energy to be transmitted.

6.1 For Resources:

Generation: _____

Charging Capacity, if applicable: _____

6.2 For Wholesale Distribution Load, the estimated peak load for informational purposes only: _____

7. Direct Assignment Facilities: _____

8. Distribution System Upgrades required prior to the commencement of service:

9. Real Power Loss Factors: _____

10. Power Factor: The Distribution Customer is required to maintain its power factor within a range of 0.95 lagging to 0.95 leading (or, if so specified in the Service Agreement, a greater

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range), pursuant to Good Utility Practice. This provision recognizes that a Distribution Customer may provide reactive power support in accordance with Section 12.10 (Self Provision of Ancillary Services), of this Tariff. _____

11. Distribution Service under this Agreement will be subject to the charges detailed below.

11.1 Customer Charge: _____

11.2 Demand Charge: _____

11.3 Facilities Charge: _____

11.4 System Impact and/or Facilities Study Charge(s): _____

12. Letter of credit or alternative form of security to be provided and maintained by

Distribution Customer pursuant to Sections 8 and 16.4 of the Tariff: _____

ATTACHMENT C

TECHNICAL AND OPERATIONAL IMPLEMENTATION OF THE TARIFF FOR GENERATION RESOURCES

1. Metering And Communications Equipment: Data retrieval requirements, procedures, and schedules shall generally be consistent with ISO requirements. The Distribution Provider shall not impose metering and communication equipment requirements pursuant to the Tariff and the Service Agreement that are more stringent than the ISO's metering and communication requirements.
 - 1.1 Distribution Customer shall install, own, and maintain revenue quality meters in accordance with the ISO Tariff.
 - 1.1.1 Distribution Customer shall read or retrieve meter data as may be required to carry out the provisions of Section 10 of the ISO Tariff. Distribution Customer shall report the meter data to the ISO and Distribution Customer's scheduling coordinator, as applicable.
 - 1.1.2 The revenue meters shall be tested by the Distribution Customer in accordance with the requirements of the ISO Tariff. The Distribution Customer shall immediately repair, adjust, or replace any meter or associated equipment found to be defective or inaccurate.
 - 1.2 The Distribution Customer and the Distribution Provider shall install communications facilities, equipment, and software to schedule and monitor the Distribution Customer's Resource connected to the Distribution Provider's Distribution System, to exchange data, and for any other purpose as reasonably

required to implement the Service Agreement and the Tariff in accordance with Good Utility Practice. Such communications facilities, equipment, and software may include metering equipment, in addition to that required in Section 1.1, installed, owned, operated and maintained by the Distribution Provider, at the Distribution Customer's expense.

- 1.3 All metering, communications, and data exchanges required to implement the Service Agreement and the Tariff shall be automated to the greatest extent practical. The Operating Representatives shall coordinate standards and specifications for metering and communications equipment as well as any related hardware and software required to implement the Service Agreement and the Tariff, provided such metering and communications equipment and any related hardware and software shall, if possible, be compatible with the Distribution Provider's existing or planned facilities or software, meet all applicable ISO, Western Systems Coordinating Council ("WSCC") and North American Electric Reliability Council ("NERC") requirements, and be consistent with Good Utility Practice.
- 1.4 The Distribution Customer shall procure, install and maintain, at its sole expense, communications equipment, and any related hardware and software required to be installed on its system in accordance with Section 1. The Distribution Customer shall reimburse the Distribution Provider for all expenses incurred by the Distribution Provider for any metering and communications equipment, and related hardware and software, including any modifications to existing facilities

or software required for the Distribution Provider to provide service in accordance with the Service Agreement and the Tariff.

2. Interconnection of Distribution Customer's Resource:

2.1 The Distribution Customer shall interconnect its Resource with the Distribution Provider's Distribution System in accordance with all applicable ISO, WSCC and NERC criteria, and Good Utility Practice.

2.2 Except as otherwise provided under the Tariff, the Distribution Customer, at its sole expense, shall design, own, procure, install, operate and maintain all equipment and facilities, including the Resource, on its side of the Point of Receipt (Distribution Customer's Facilities). The Distribution Provider shall design, own, install, and maintain all facilities necessary to interconnect the Distribution Customer's Resource on the Distribution Provider's side of the Point of Receipt (Distribution Provider's Facilities) at the Distribution Customer's sole expense to the extent permitted by Commission policies. Such facilities shall include any equipment necessary to protect the Distribution Provider's electric system, employees, and customers from damage or injury arising out of or connected with the operation of the Distribution Customer's Facilities, including, but not limited to, short circuit protection, breaker closing/reclosing control, unit tripping, loss of synchronism, overcurrent/under current devices such as relays, remote terminal units, circuit breakers, and meters. The Distribution Customer's Facilities, and their operation and maintenance, shall meet the Distribution Provider's specifications and shall be subject to inspection and testing by the

Distribution Provider. The Distribution Customer's Facilities shall be designed, constructed, operated and maintained as follows:

2.2.1 Design

(a) Distribution Customer, at Distribution Customer's sole expense, shall:

- (1) Design Distribution Customer's Facilities ;
- (2) Acquire all permits and other approvals necessary for the construction, operation, and maintenance of Distribution Customer's Facilities; and
- (3) Complete all environmental impact studies necessary for the construction, operation, and maintenance of Distribution Customer's Facilities.

(b) At the Distribution Provider's request, the Distribution Customer shall provide to the Distribution Provider the Distribution Customer's electrical specifications and design drawings pertaining to Distribution Customer's Facilities for the Distribution Provider's review prior to finalizing the design of Distribution Customer's Facilities and before beginning construction work based on such specifications and drawings. The Distribution Customer shall provide to the Distribution Provider reasonable advance written notice of any changes in Distribution Customer's Facilities and provide to the Distribution Provider specifications and design drawings of any such changes for the Distribution Provider's review and approval. The Distribution Provider may require modifications to such specifications

and designs as it deems necessary to allow the Distribution Provider to operate the Distribution Provider's electric system in accordance with Good Utility Practice.

- (c) The total installed capacity (net of Station Use) of the Distribution Customer's Resources shall not exceed the Nameplate Rating.

2.2.2 Construction

- (a) The Distribution Customer, at the Distribution Customer's sole expense, shall construct Distribution Customer's Facilities.
- (b) The Distribution Provider shall have the right to review and consult with the Distribution Customer regarding the Distribution Customer's construction schedule.
- (c) The Distribution Provider shall have the right to periodically inspect the Distribution Customer's Facilities prior to initial operation upon advance notice to the Distribution Customer. The Distribution Customer, at its option, may be present at such inspection.

2.2.3 Operation

- (a) The Distribution Customer shall operate Distribution Customer's Facilities in accordance with any applicable ISO, NERC or WSCC criteria and Good Utility Practice, including, but not limited to, following voltage schedules, free governor response, meeting power factor requirements at the Point of Receipt, equipment maintenance coordination, and communication of necessary data, information, or reports.

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- (b) The Distribution Customer shall operate its Resource to generate such reactive power or provide individual power factor correction as necessary to maintain voltage levels and reactive power support as may be required by the Distribution Provider. The Distribution Customer shall not deliver excess reactive power to the Distribution Provider unless otherwise agreed upon between the Parties. If the Distribution Customer fails to provide reactive power support, the Distribution Provider may do so at the Distribution Customer's expense.
- (c) The Distribution Customer's Resource shall be designed and operated so as to prevent or protect against the following adverse conditions on the Distribution Provider's electric system: inadvertent and unwanted re-energization of a utility dead line or bus; interconnection while out of synchronization, overcurrent, voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits, poor power factor or reactive power outside permitted limits; and abnormal waveforms.
- (d) Distribution Customer's Facilities shall be operated with all of the Distribution Customer's protective apparatus in service whenever its Resource is connected to, or is operated in parallel with, the Distribution Provider's electric system. Any deviation for brief periods of emergency or maintenance shall only be by agreement of the Parties.

- (e) The Distribution Customer shall maintain operating communications with the Distribution Provider's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.
- (f) The Distribution Provider may require the Distribution Customer, at the Distribution Customer's expense, to demonstrate to the Distribution Provider's satisfaction the correct calibration and operation of the Distribution Customer's protective apparatus at any time the Distribution Provider has reason to believe that said protective apparatus may impair the Distribution Provider's electric system integrity.

2.2.4 Maintenance

- (a) The Distribution Customer shall maintain Distribution Customer's Facilities in accordance with Good Utility Practice.
- (b) The Parties shall cooperate with one another in scheduling maintenance to any interconnection facility or in taking any interconnection facility out of service, provided that in an emergency the Distribution Provider may take facilities out of service if necessary to protect the Distribution Provider's system.

(c) The Distribution Customer shall notify the Distribution Provider by January 1, May 1, and September 1 of each year, of the estimated scheduled maintenance for the succeeding four months.

2.2.5 The Distribution Customer shall not commence parallel operation of Distribution Customer's Facilities with the Distribution Provider's electric system until written approval for operation of the interconnection facilities has been given by the Distribution Provider. Such approval shall not be unreasonably withheld. The Distribution Customer shall notify the Distribution Provider of the Distribution Customer's intent to energize the interconnection facilities not less than forty-five (45) calendar days prior to such energizing. The Distribution Provider shall have the right to inspect Distribution Customer's Facilities within thirty (30) calendar days of receipt of such notice. If the Distribution Customer's Facilities are not approved by the Distribution Provider, the Distribution Provider shall provide written notice to the Distribution Customer stating the reasons for the Distribution Provider's disapproval within five (5) calendar days of the inspection.

2.2.6 The Distribution Customer shall provide written notice to the Distribution Provider at least fourteen (14) calendar days prior to the initial and subsequent testing of the Distribution Customer's protective apparatus. The Distribution Customer's protective apparatus shall be tested thereafter at intervals not to exceed four (4) years for system voltages less than 66kV, two (2) years for system voltages of 66kV to 200kV, and one (1)

year for system voltages of 200kV and above. All such tests shall be performed using qualified personnel. The Distribution Provider shall have the right to have a representative present at the initial and subsequent testing of the Distribution Customer's protective apparatus and to receive copies of the test results.

- 2.2.7 The Distribution Customer shall be responsible for the installation, operation and maintenance of equipment to protect Distribution Customer's facilities in such a manner that faults or other disturbances on the Distribution Provider's electric system do not cause damage to Distribution Customer's facilities. As set forth in Section 12.1 of the Tariff, the Distribution Provider will plan, construct, operate and maintain its Distribution System in accordance with Good Utility Practice in order to provide the Distribution Customer with stable, reliable, and high quality Distribution Service over the Distribution Provider's Distribution System.
- 2.2.8 Review by the Distribution Provider of the design, construction, operation, or maintenance of Distribution Customer's Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Distribution Customer shall in no way represent to any third party that any such review by the Distribution Provider of such facilities including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Distribution Provider is a representation by the Distribution Provider as to the economic or technical feasibility,

operational capability, or reliability of such facilities. The Distribution Customer is solely responsible for economic and technical feasibility, operational capability, and reliability of Distribution Customer's Facilities.

- 2.3 The Distribution Customer shall keep the Distribution Provider informed on a timely basis of changes in Generation and cooperate in planning any addition to or upgrade of interconnection facilities to accommodate additions to Generation. The Distribution Customer shall provide to the Distribution Provider by September 1 of each year an update of the information set forth in Section 2 of the Specifications for Wholesale Distribution Service for the following five calendar years.
3. Each party shall appoint an Operating Representative for the purpose of facilitating communication between the parties, exchanging data on forecasted Generation necessary for long-term planning, coordinating operating criteria and activities, developing detailed operating procedures as necessary, and addressing other technical and operational considerations required for implementation of the Service Agreement and Tariff. The Operating Representatives shall not have any authority to modify, amend, terminate, or supersede any provision of the Service Agreement or Tariff; or to require any expansion of or addition to the Distribution Provider's Distribution System. The Distribution Provider shall have the authority to adopt rules or procedures for the implementation of the Service Agreement and the Tariff that are consistent with such Service Agreement and Tariff, provided that the Distribution Customer shall not be deemed to have waived any right it may have to contest such rules or procedures before the Commission or any other forum having jurisdiction over the Service Agreement.

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4. Each Party shall, upon request, provide the other Party with such reports and information concerning its operation as are reasonably necessary to enable each Party to operate its distribution system safely and efficiently.

5. Load Shedding and Curtailment Procedures: If a system contingency or constraint requires Curtailment of ISO schedules, the Distribution Customer shall curtail its ISO schedules as requested by the Distribution Provider. Such ISO schedule Curtailments shall be implemented only to the extent that they effectively mitigate the contingency or relieve the constraint, or that they are directed by the ISO. Such Curtailment shall continue only for so long as reasonably necessary under Good Utility Practice and shall be made on an equitable, non-discriminatory basis with respect to all Resources directly connected to the Distribution System.

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ATTACHMENT I

GENERATOR

INTERCONNECTION PROCEDURES (GIP)

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GENERATOR INTERCONNECTION PROCEDURES (GIP)

Section 1. Objectives and Applicability

1.1 Objectives

The objective of this GIP is to implement the requirements for Generating Facility interconnections to the Distribution System. This GIP applies to all Generating Facilities, regardless of size. GIP Sections 2, 3 and 8-11 are general provisions applicable to all Interconnection Requests. GIP Sections 4, 5, 6, and 7 apply to Interconnection Requests submitted under the Cluster Study Process, the Independent Study Process, the Fast Track Process, and the Under 10 kW Inverter Process, respectively.

1.2 Applicability

The applicability of each process is as follows:

The Cluster Study Process is available to any Interconnection Customer that (1) is proposing to interconnect a proposed Generating Facility with the Distribution Provider's Distribution System, (2) is seeking to increase the capacity of a Generating Facility that has achieved Commercial Operation, or (3) is exercising the option to seek Full Capacity Deliverability Status or Partial Capacity Deliverability Status in accordance with GIP Section 4.7. The Cluster Study Process shall be used by an Interconnection Customer if its Generating Facility (1) does not qualify for the Independent Study Process, the Fast Track Process, or the Under 10 kW Inverter Process; (2) does not pass the Electrical Independence Test under the Independent Study Process; or (3) is certified but did not pass the Fast Track Process or the Under 10 kW Inverter Process.

The Independent Study Process is available to any Interconnection Customer that is either proposing to interconnect a proposed Generating Facility with the Distribution Provider's Distribution System or is seeking to increase the capacity of a Generating Facility that has achieved Commercial Operation, and that is electrically independent of Interconnection Requests from any earlier-queued Generating Facilities.

The Fast Track Process is available to any Interconnection Customer proposing to interconnect a proposed certified Generating Facility with the Distribution Provider's Distribution System that meets the eligibility requirements of GIP Section 6.1.1 and that meets the codes, standards, and certification requirements of Appendices 8 and 9 of these procedures, or the Distribution Provider has reviewed the design or tested the proposed Generating Facility and is satisfied that it is safe to operate.

The Under 10 kW Inverter Process is available to any Interconnection Customer proposing to interconnect a proposed certified inverter-based Generating Facility no larger than 10 kilowatts (kW).

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The procedures relevant to the Transition Process, as applicable, for interconnection requests transitioning from the Clustering Large Generator Interconnection Procedures (Attachment H to the Tariff) and the Small Generator Interconnection Procedures (Attachment G to the Tariff) to the processes set forth in this GIP are detailed in Appendix 2 to the GIP.

Section 2. Definitions

Terms used in this GIP with initial capitalization shall have the meanings set for below. The singular of any definition shall include the plural and the plural shall include the singular. If a term with initial capitalization used herein is not defined, such term shall have the meanings ascribed to such term in Section 1 of the Tariff.

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 Distribution Provider's Distribution System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

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

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

Annual Full Capacity Deliverability Study shall mean the annual deliverability study performed by the ISO described in GIP Section 4.7, under which a Generating Facility previously studied as Energy-Only Deliverability Status will have an option to determine whether it can be designated for Full Capacity Deliverability Status or Partial Capacity Deliverability Status using available transmission capacity.

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

Applicable Reliability Council shall mean the reliability council applicable to the Distribution System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Distribution System to which the

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Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.

Area Deliverability Constraint shall mean a Transmission System operating limit that either (a) would constrain the deliverability of a substantial number of generators if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to additional generating facilities in one or more specified geographic or electrical areas of the ISO Grid in a total amount that is greater than the TP Deliverability for those areas; (b) constrains a quantity of generation in a local area of the grid that is larger than the generation amount identified in the applicable transmission planning process portfolio for the entire portfolio area; or (c) constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

Area Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve an Area Deliverability Constraint.

Base Case shall mean data including, but not limited to, base power flow, short circuit and stability data bases, underlying load, generation, and transmission facility assumptions, contingency lists, including relevant special protection systems, and transmission diagrams used to perform the Interconnection Studies. The Base Case may include Critical Energy Infrastructure Information (as that term is defined by FERC). The Base Case shall include transmission facilities as approved by the Distribution Provider or ISO, as applicable, and Distribution Upgrades and Network Upgrades associated with generating facilities in (iv) below and generating facilities that (i) are directly interconnected to the Distribution System or ISO Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to the Distribution System or an Affected System; or (iv) are not interconnected to the Distribution System or ISO Grid, but are subject to a fully executed generator interconnection agreement (or its equivalent predecessor agreement) or for which an unexecuted generator interconnection agreement (or its equivalent predecessor agreement) has been requested to be filed with FERC.

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

Breaching Party shall mean a Party that is in Breach of the GIA.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

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

Charging Capacity shall mean the capacity provided under the GIA to meet the Charging Demand of a Generating Facility that includes storage, subject to available capacity on the Distribution System and any operating conditions and/or limitations as may be set forth in the GIA.

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Charging Demand shall mean the flow of wholesale electric energy from the Distribution System solely to charge the storage component of the Generating Facility from the Distribution System for later redelivery of such energy, net of Generating Facility losses, to the Distribution System. Charging Demand does not include the delivery of energy for purposes that are subject to the Distribution Provider's retail tariff.

Cluster Application Window shall mean the time period for submitting Interconnection Requests under the Cluster Study Process as set forth in GIP Section 4.1.

Cluster Study Process shall mean the interconnection study process set forth in GIP Section 4.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale or storing electricity for later resale, excluding electricity generated or stored during Trial Operation.

Commercial Operation Date of an Electric Generating Unit shall mean the date on which an Electric Generating Unit at a Generating Facility commences Commercial Operation as agreed to by the Parties.

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.

Construction Activities shall mean actions by the Distribution Provider that result in irrevocable financial commitments for the purchase of major electrical equipment or land for Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer that occur after receipt of the appropriate governmental approvals needed for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

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 an Applicable Reliability Council.

CPUC shall mean the California Public Utilities Commission or its successor.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with the GIA.

Deliverability shall mean the annual Net Qualifying Capacity (as defined in the ISO Tariff) of a Generating Facility, as verified through a Deliverability Assessment and measured in MW,

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which specifies the amount of resource adequacy capacity the Generating Facility is eligible to provide.

Deliverability Assessment(s) shall mean an evaluation performed by the ISO pursuant to the ISO's On-Peak Deliverability Assessment posted on the ISO's website, to determine if a Generating Facility or a group of Generating Facilities could provide energy to the ISO Grid and be delivered to the aggregate of load on the ISO Grid at peak load, under a variety of severely stressed conditions as further described in GIP Section 4.5.4.2.

Delivery Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, other than Reliability Network Upgrades, identified in the Interconnection Studies to relieve constraints on the ISO Grid. Delivery Network Upgrades may be further classified as Local Delivery Network Upgrades or Area Delivery Network Upgrades.

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

Distribution Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the GIA to the extent necessary.

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

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

Distribution Service shall mean the wholesale distribution service provided under the Tariff.

Distribution System shall mean those non-ISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide Distribution Service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

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

Effective Date shall mean the date on which the GIA 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 or storage device and its associated plant and apparatus whose electrical output is capable of being separately identified and metered.

Electrical Independence Test shall mean the test set forth in GIP Section 5.5 used to determine eligibility for the Independent Study Process.

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

Energy-Only Deliverability Status shall mean a condition on the ISO Grid elected by an Interconnection Customer for a Generating Facility interconnected to Distribution System, the result of which is that the Interconnection Customer is responsible only for the costs of Reliability Network Upgrades and is not responsible for the costs of Delivery Network Upgrades, but the Generating Facility will be deemed to have a Net Qualifying Capacity (as defined in the ISO Tariff) of zero and, therefore, cannot be considered to be a Resource Adequacy Resource (as defined in the ISO Tariff).

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

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

Fast Track Process shall mean the interconnection study process set forth in GIP Section 6.

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

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

Full Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that could be as large as its Qualifying Capacity (as defined in the ISO Tariff) and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO.

Generating Facility shall mean Interconnection Customer's Electric Generating Unit(s) used for the production and/or storage for later injection of electricity identified in the 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 Electric Generating Units.

Generator Interconnection Agreement (GIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility processed pursuant to the GIP, *pro forma* versions of which are set forth in Appendix 5 to the GIP for Interconnection Requests under the Cluster Study Process, Appendix 6 to the GIP for Interconnection Requests under the Independent Study Process, Appendix 7 to the GIP for Interconnection Requests under the Fast Track Process, and Appendix 10 to the GIP for Interconnection Requests under the Under 10 kW Inverter Process. For an Interconnection Customer who chooses a state-jurisdictional generator interconnection agreement pursuant to GIP Section 4.9.1, the *pro forma* version will be the CPUC-approved form Rule 21 GIA.

Generator Interconnection Procedures (GIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Generating Facility set forth in this Attachment I to the Tariff.

Generator Interconnection Study Process Agreement shall mean the agreement entered into by the Interconnection Customer and the Distribution Provider which sets forth the Parties' agreement to perform Interconnection Studies under the Cluster Study Process, a *pro forma* version of which is set forth in Appendix 3 of the GIP.

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

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or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

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

Group Study shall mean the process whereby more than one Interconnection Request are studied together, instead of individually, for the purpose of conducting one or more of the Interconnection Studies or analyses therein.

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.

Independent Study Process shall mean the interconnection study process set forth in GIP Section 5.

Independent Study Process Study Agreement shall mean the agreement entered into by the Interconnection Customer and the Distribution Provider which sets forth the Parties' agreement to perform Interconnection Studies under the Independent Study Process, a *pro forma* version of which is set forth in Appendix 4 to the GIP.

Initial Synchronization Date shall mean the date upon which the Generating Facility 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 Distribution Provider's Interconnection Facilities to obtain back feed power.

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

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in the GIA, 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

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Facility to the Distribution Provider's Distribution System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Distribution Provider'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 Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Distribution Provider for an Interconnection Customer under the Independent Study Process to determine a list of facilities (including Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Distribution Provider's Distribution System. The scope of the study is defined in GIP Section 5.8.2.1.

Interconnection Financial Security shall mean any of the financial instruments listed in GIP Sections 4.8.1 and 5.9.1 provided by the Interconnection Customer to comply with its obligations under the GIP or the GIA.

Interconnection Handbook shall mean a handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. Distribution Provider'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 the Generator Interconnection Procedures (GIP) and the terms of the Distribution Provider's Interconnection Handbook, the terms in the GIP shall govern.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the GIP or Appendix 10 to the GIP, as applicable, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Distribution Provider's Distribution System, or to change the deliverability status of a Generating Facility previously studied as having Energy-Only Deliverability Status.

Interconnection Service shall mean the service provided by the Distribution Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Distribution Provider's Distribution System and enabling it to receive, or deliver for the Charging Demand, electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the GIA and, if applicable, the Distribution Provider's Tariff.

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Interconnection Study shall mean any of the following studies: the Phase I Interconnection Study, the Phase II Interconnection Study, the Interconnection System Impact Study and the Interconnection Facilities Study.

Interconnection Study Cycle shall mean all requirements, actions, and respective obligations of the Distribution Provider and Interconnection Customer under the Cluster Study Process of the GIP applicable to an Interconnection Request submitted in a particular Cluster Application Window.

Interconnection Study Deposit shall mean the cash deposit provided to the Distribution Provider under GIP Sections 4.2.1 or 5.2.1 as a requirement of a valid Interconnection Request to be used to offset the cost of the Interconnection Studies.

Interconnection System Impact Study shall mean an engineering study conducted by the Distribution Provider for an Interconnection Customer under the Independent Study Process that evaluates the impact of the proposed interconnection on the safety and reliability of Distribution Provider's Distribution System and, if applicable, an Affected System. The scope of the study is defined in GIP Section 5.8.1.1.

IRS shall mean the Internal Revenue Service.

ISO shall mean the California Independent System Operator Corporation, a state-chartered, nonprofit, corporation that controls certain transmission facilities of all Participating Transmission Owners and dispatches certain generating units and loads.

ISO Grid shall mean the system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the ISO's operational control.

ISO's Generator Interconnection Procedures (ISO Tariff GIP) shall mean the procedures included in either Appendix Y or Appendix DD of the ISO Tariff to interconnect a Generating Facility directly to the ISO Grid, as such procedures may be modified from time to time, and accepted by the Commission.

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

Local Deliverability Constraint shall mean a Transmission System operating limit that would be exceeded if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to one or more additional Generating Facilities interconnecting to the ISO Grid in a specific local area, and that is not an Area Deliverability Constraint.

Local Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve a Local Deliverability Constraint.

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

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

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

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

Network Upgrades shall mean Delivery Network Upgrades and Reliability Network Upgrades.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the GIA or its performance.

Off-Peak Deliverability Assessment shall mean the technical study performed under GIP Section 4.5.4.2.2.

On-Peak Deliverability Assessment shall mean the technical study performed under GIP Section 4.5.4.2.1.

Partial Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that cannot be larger than a specified MW amount of its Qualifying Capacity (as defined in the ISO Tariff), and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO. An Interconnection Customer requesting Partial Capacity Deliverability Status must specify the MW amount of Full Capacity Deliverability Status it is seeking in its Interconnection Request.)

Party or Parties shall mean Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Phase I Interconnection Study shall mean the engineering study conducted by the Distribution Provider, that evaluates the impact of the proposed interconnection on the safety and reliability of the Distribution System, ISO Grid and, if applicable, an Affected System. The portion of the study required to evaluate the impacts on the ISO Grid will be directed by the ISO and will be completed in a manner consistent with the ISO Tariff GIP. The study shall identify and detail the system impacts that would result if the Generating Facility(ies) were

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interconnected without identified project modifications or system modifications, as provided in the On-Peak Deliverability Assessment or Off-Peak Deliverability Assessment, and other potential impacts, including but not limited to those identified in the Scoping Meeting as described in the GIP. The study will also identify the approximate total costs of mitigating these impacts, along with an equitable allocation of those costs to Interconnection Customers for their individual Generating Facilities.

Phase II Interconnection Study shall mean an engineering and operational study conducted by the Distribution Provider to determine the Point of Interconnection and a list of facilities (including Distribution Provider's Interconnection Facilities, Network Upgrades, Distribution Upgrades, and Stand Alone Network Upgrades), the estimated cost of those facilities, and the estimated time required to interconnect the Generating Facility(ies) with the Distribution System. The portion of the study required to evaluate the impacts on the ISO Grid will be directed by the ISO and will be completed in a manner consistent with the ISO Tariff GIP.

Point of Change of Ownership shall mean the point, as set forth in the GIA, where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in the GIA, where the Interconnection Facilities connect to the Distribution Provider's Distribution System.

Pre-Construction Activities shall mean the actions by the Distribution Provider, other than those required by an Engineering and Procurement Agreement under GIP Section 8, undertaken prior to Construction Activities in order to prepare for the construction of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer, including, but not limited to, preliminary engineering, permitting activities, environmental analysis, or other activities specifically needed to obtain governmental approvals for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

Queue Cluster shall mean a set of Interconnection Requests in an Interconnection Study Cycle processed pursuant to the Cluster Study Process.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the GIP or the GIA, 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.

Reliability Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, necessary to interconnect one or more Generating Facility(ies) safely and reliably to the ISO Grid, which would not have been necessary but for the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary

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for system operating limits, occurring under any system condition, which system operating limits cannot be adequately mitigated through the ISO's congestion management, operating procedures, or special protection systems based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with the Applicable Reliability Council's practice and Applicable Reliability Standards, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.

Results Meeting shall mean the meeting among the Distribution Provider, the Interconnection Customer, and if applicable, the ISO and other Affected System Operators to discuss the results of the Interconnection Studies as set forth in the GIP.

Rule 21 shall mean SCE's Electric Tariff Rule 21 specified in the Distribution Provider's tariff on file with the CPUC.

Rule 21 GIA shall mean the form of interconnection agreement applicable to an Interconnection Request for an Interconnection Customer who chooses a state-jurisdictional generator interconnection agreement pursuant to GIP Section 4.9.1, the *pro forma* version of which will be the CPUC-approved form Rule 21 generator interconnection agreement for projects studied under the Cluster Study Process.

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

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

Site Exclusivity Deposit shall mean the cash deposit provided to the Distribution Provider by Interconnection Customers under GIP Section 4.2.1 or 5.2.1 as an option in lieu of demonstrating Site Exclusivity for a valid Interconnection Request and treated in accordance with GIP Section 4.2.1.2 or 5.2.1.2.

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

Smart Inverter shall mean a Generating Facility's inverter that performs functions that when activated can autonomously contribute to grid support during excursions from normal operating voltage and frequency system conditions by providing dynamic reactive/real power support, voltage and frequency ride-through, ramp rate controls, communication systems with ability to accept external commands and other functions.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Distribution Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in an Appendix to the GIA.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Distribution Provider's Distribution System, the ISO 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 Distribution Provider's Distribution System, the ISO Grid or on other delivery systems or other generating systems to which the Distribution Provider's Distribution System and Transmission System is directly connected.

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

TP Deliverability shall mean the capability, measured in MW, of the ISO Grid as modified by transmission upgrades and additions modeled or identified in the annual Transmission Plan to support the interconnection with Full Capacity Deliverability Status or Partial Capacity Deliverability Status of additional Generating Facilities in a specified geographic or electrical area of the ISO Grid.

Transmission Plan shall mean the report prepared by the ISO on an annual basis pursuant to Section 24 of the ISO Tariff, which documents the outcome of the ISO's transmission planning process by which the ISO assesses the ISO Grid.

Transmission System shall mean those transmission facilities owned by the Distribution Provider or that have been placed under the ISO's operational control and are part of the ISO Grid.

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

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Uncontrollable Force shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force event does not include acts of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force.

Under 10 kW Inverter Process shall mean the interconnection study process set forth in GIP Section 7.

Section 3. General Provisions Applicable to All Interconnection Requests

3.1 Pre-Application

- 3.1.1 The Distribution Provider shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on the Distribution Provider's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Distribution Provider's Distribution System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The Distribution Provider shall comply with reasonable requests for such information.
- 3.1.2 In addition to the information described in GIP Section 3.1.1, which may be provided in response to an informal request, an Interconnection Customer may submit a formal written request form along with a non-refundable fee of \$300 for a pre-application report on a proposed project at a specific site. The Distribution Provider shall provide the pre-application data described in GIP Section 3.1.3 to the Interconnection Customer within twenty (20) Business Days of receipt of the completed request form and payment of the \$300 fee. The pre-application report produced by the Distribution Provider is non-binding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the Distribution Provider's system. The written pre-application report request form shall include the information in GIP Sections 3.1.2.1 through 3.1.2.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection.

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- 3.1.2.1 Project contact information, including name, address, phone number, and email address.
 - 3.1.2.2 Project location (street address with nearby cross streets and town)
 - 3.1.2.3 Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.
 - 3.1.2.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)
 - 3.1.2.5 Size (alternating current kW)
 - 3.1.2.6 Single or three phase generator configuration
 - 3.1.2.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)
 - 3.1.2.8 Is new service requested? Yes or No? If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.
- 3.1.3 Using the information provided in the pre-application report request form in GIP Section 3.1.2, the Distribution Provider will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by the Distribution Provider does not necessarily indicate, after application of the screens and/or study, that this would be the circuit the project ultimately connects to. The Interconnection Customer must request additional pre-application reports if information about multiple Points of Interconnection is requested. Subject to GIP Section 3.1.4, the pre-application report will include the following information:
- 3.1.3.1 Total capacity (in megawatts (MW)) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Interconnection.
 - 3.1.3.2 Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed Point of Interconnection.
 - 3.1.3.3 Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed Point of Interconnection.

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- 3.1.3.4 Available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).
 - 3.1.3.5 Substation nominal distribution voltage and/or transmission nominal voltage if applicable.
 - 3.1.3.6 Nominal distribution circuit voltage at the proposed Point of Interconnection.
 - 3.1.3.7 Approximate circuit distance between the proposed Point of Interconnection and the substation.
 - 3.1.3.8 Relevant line section(s) actual or estimated peak load and minimum load data, including daytime minimum load as described in GIP Section 6.11.1.1 below and absolute minimum load, when available.
 - 3.1.3.9 Number and rating of protective devices and number and type (standard, bi-directional) of voltage regulating devices between the proposed Point of Interconnection and the substation/area. Identify whether the substation has a load tap changer.
 - 3.1.3.10 Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.
 - 3.1.3.11 Limiting conductor ratings from the proposed Point of Interconnection to the distribution substation.
 - 3.1.3.12 Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.
 - 3.1.3.13 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.
- 3.1.4 The pre-application report need only include existing data. A pre-application report request does not obligate the Distribution Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the Distribution Provider cannot complete all or some of a pre-application report due to lack of available data, the Distribution Provider shall provide the Interconnection Customer

with a pre-application report that includes the data that is available. The provision of information on “available capacity” pursuant to GIP Section 3.1.3.4 does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the pre-application report may become outdated at the time of the submission of the complete Interconnection Request. Notwithstanding any of the provisions of this GIP Section 3.1.4, the Distribution Provider shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

3.2 Interconnection Requests

An Interconnection Customer shall submit to Distribution Provider an Interconnection Request in the form of Appendix 1 to this GIP for processing under the Cluster Study Process, the Independent Study Process or the Fast Track Process. An Interconnection Customer shall submit to Distribution Provider an Interconnection Request in the form of Appendix 10 to this GIP for processing under the Under 10 kW Inverter Process. The Distribution Provider will forward a copy of the Interconnection Request to the ISO.

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

An Interconnection Request for the expansion of capacity of an existing Generating Facility shall be treated the same as an Interconnection Request for a new Generating Facility pursuant to this GIP.

If the Interconnection Customer also desires Distribution Service, then the Interconnection Customer shall submit to the Distribution Provider an Application in accordance with Section 15.2 of the Tariff, including the required deposit. If the Application for Distribution Service is deemed a Completed Application, then the schedule for performing the System Impact Study and the Facilities Study, or their equivalent, and for executing the Service Agreement shall coincide with the schedule for performing the Interconnection Studies, and executing the GIA under this GIP.

3.3 Interconnection Service

3.3.1 The Product. Interconnection Service allows Interconnection Customer to connect the Generating Facility to the Distribution System and be eligible to deliver the Generating Facility's output using the capacity of the

Distribution System to the ISO Grid. Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.

3.3.2 No Applicability to Transmission Service or Distribution Service.

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

3.3.3 Roles and Responsibilities.

3.3.3.1 Each Interconnection Request will be subject to the direction and oversight of the Distribution Provider. The Distribution Provider will conduct or cause to be performed the required Interconnection Studies and any additional studies the Distribution Provider determines to be reasonably necessary. The analysis of impacts on, and upgrades required to, the ISO Grid will be directed by the ISO pursuant to the terms and conditions of Appendix Y of the ISO Tariff for Queue Cluster 4 or Appendix DD of the ISO Tariff for Queue Cluster 5 and subsequent Queue Clusters. The Distribution Provider will perform all required studies related to the Distribution System and will coordinate with Affected System Operators in accordance with GIP Section 3.7.

3.3.3.2 The Distribution Provider will complete or cause to be completed all studies as required within the timelines provided in this GIP.

3.3.3.3 Delegation of Responsibility. Distribution Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this GIP. Distribution Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this GIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

3.3.3.4 Each Interconnection Customer shall pay the actual costs of all Interconnection Studies, and any additional studies the Distribution Provider determines to be reasonably necessary in response to the Interconnection Request. The Distribution Provider shall reimburse the ISO for the actual cost of any portion of the Interconnection Studies that the ISO performs related to the ISO Grid.

3.3.3.4.1 Where an Interconnection Study is performed by means of a Group Study, the cost of the Group Study will be charged pro rata to each Interconnection Request assigned to the Group Study. The cost of Interconnection Studies performed for an individual Interconnection Request, not part of a Group Study, will be charged solely to the Interconnection Customer that submitted the Interconnection Request.

3.3.3.4.2 The Distribution Provider shall issue invoices for Interconnection Studies that shall include a detailed and itemized accounting of the cost of each Interconnection Study. Whenever the actual cost of performing the Interconnection Studies exceeds the Interconnection Study Deposit, the Interconnection Customer shall pay the undisputed difference in accordance with the Distribution Provider issued invoice within thirty (30) Calendar Days. The Distribution Provider shall not be obligated to continue to have any studies conducted unless the Interconnection Customer has paid all undisputed amounts in compliance herewith.

3.4 Comparability

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

3.5 Base Case Data

Distribution Provider shall provide base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list upon request subject to confidentiality provisions in GIP Section 11.1. Distribution Provider is permitted to require that Interconnection Customer sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such Base Cases shall include all (i) generation projects and (ii) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

3.6 Internet Posting

Distribution Provider will maintain on its website a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the

interconnection will be made; (iv) the most recent Commercial Operation Date requested by the Interconnection Customer; (v) the status of the Interconnection Request, including whether it is active or withdrawn; and (vi) the availability of any studies related to the Interconnection Request; (vii) the date of the Interconnection Request; (viii) the type of Generating Facility to be constructed (e.g., combined cycle, combustion turbine, wind turbine, and fuel type); and (ix) the requested Deliverability status.

Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes a GIA or requests that Distribution Provider file an unexecuted GIA with FERC. Before holding a Scoping Meeting with its Affiliate, Distribution Provider shall post on its website an advance notice of its intent to do so.

Distribution Provider shall post to its website any deviations from the study timelines set forth herein. The Distribution Provider shall also post to its website non-confidential portions of the Phase I Interconnection Study or the Interconnection System Impact Study, as applicable, following the final Results Meeting or thirty (30) Calendar Days after the completion of such study if the Results Meeting is waived, and non-confidential portions of the Phase II Interconnection Study or the Interconnection Facilities Study, as applicable, no later than publication of the ISO's final Transmission Plan.

3.7 Coordination with Affected Systems

The Distribution Provider will notify the Affected System Operators that are potentially affected by an Interconnection Customer's Interconnection Request or group of Interconnection Requests subject to a Group Study. The Distribution Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this GIP. Distribution Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this GIP. Interconnection Customer will cooperate with Distribution Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A transmission provider which may be an Affected System shall cooperate with Distribution Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

3.8 Capacity of the Generating Facility

The Interconnection Request shall be evaluated using the maximum capacity that the Generating Facility is capable of injecting into the Distribution Provider's electric system and, in the case of Generating Facilities with storage, the maximum Charging Demand the storage device is capable of receiving. However, if the maximum capacity that the Generating Facility is capable of

injecting into, and/or receiving from for the Charging Demand in the case of storage, the Distribution Provider's electric system is limited (e.g., through use of a control system, power relay(s), or other similar device settings or adjustments), then the Interconnection Customer must obtain the Distribution Provider's agreement, with such agreement not to be unreasonably withheld, that the manner in which the Interconnection Customer proposes to implement such a limit will not adversely affect the safety and reliability of the Distribution Provider's system. If the Distribution Provider does not so agree, then the Interconnection Request must be withdrawn or revised to specify the maximum capacity that the Generating Facility is capable of injecting into, and/or receiving from for the Charging Demand in the case of storage, the Distribution Provider's electric system without such limitations. Furthermore, nothing in this section shall prevent a Distribution Provider from considering an output higher than the limited output or Charging Demand higher than the limited Charging Demand, if appropriate, when evaluating system protection impacts.

3.9 Proposed Commercial Operation Date

The proposed Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility shall not exceed seven years from the date the Interconnection Request is received by Distribution Provider, unless Interconnection Customer demonstrates and the Distribution Provider agrees, such agreement not to be unreasonably withheld, that engineering, permitting and construction of the new Generating Facility or increase in capacity of the existing Generating Facility will take longer than the seven year period. For Interconnection Requests in Queue Cluster 5 and subsequent Queue Clusters, the Distribution Provider's agreement to an extension of the proposed Commercial Operation Date does not relieve the Interconnection Customer from compliance with the requirements of any of the criteria in GIP Section 4.6.13.1 for retention of TP Deliverability.

3.10 Transferability of Interconnection Request

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

3.11 Withdrawal

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Distribution Provider, and the Distribution Provider will notify the ISO and Affected System Operators, if any, within three (3) Business Days of receipt of such a notice. In addition, after confirmation by the Distribution Provider of a valid Interconnection Request, if the Interconnection Customer fails to adhere to all requirements of this GIP, except as provided in GIP Section 11.2 (Disputes), Distribution Provider shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal within five (5) Business Days and an explanation of the reasons for such deemed withdrawal. Upon

receipt of such written notice, Interconnection Customer shall have five (5) Business Days in which to either respond with information or action that either cures the deficiency or supports its position that the deemed withdrawal was erroneous and notifies the Distribution Provider of its intent to pursue Dispute Resolution.

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

In the event of such withdrawal, Distribution Provider, subject to the provisions GIP Section 11.1 and GIP Sections 4.2.1.1 or 5.2.1.1, as applicable, shall provide, at Interconnection Customer's request, all information that Distribution Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.12 Reactive Power Requirements for Existing Non-Synchronous Generators

The reactive power requirements for non-synchronous generators set forth in FERC's Order No. 827 shall be applicable to: 1) the entirety of an existing non-synchronous Generating Facility in the event such Generating Facility makes modifications that require the submission of a new Interconnection Request, and a subsequent Interconnection Study finds that the reactive power requirement is necessary to ensure system safety or reliability; 2) new non-synchronous Electric Generating Units, when an existing Generating Facility replaces Electric Generating Units with new non-synchronous Electric Generating Units, whether or not submission of a new Interconnection Request is required.

3.13 Standards for Inverter Based Generating Facilities

Inverters used for the production, and/or later injection from storage, of electricity shall meet the inverter certification standards of UL-1741 and UL-1741 Supplement A utilizing the Smart Inverter requirements set forth in Rule 21 for Interconnection Requests that are received and deemed valid on and after March 1, 2017.

Section 4. Cluster Study Process

4.1 Timing For Submitting Interconnection Requests

Interconnection Requests must be submitted during a Cluster Application Window. The Cluster Application Window for Queue Cluster 4 was open from March 2, 2011 through March 31, 2011. The Cluster Application Windows for Queue Cluster 5 were open from October 15, 2011 through November 15, 2011

and March 1, 2012 through March 31, 2012. Commencing with Queue Cluster 6, a single Cluster Application Window associated with each Interconnection Study Cycle will open on April 1 and close on April 30 of each year. In the event that any date set forth in this section is not a Business Day, then the applicable date shall be the next Business Day thereafter.

The Distribution Provider may change the Cluster Application Window interval and opening or closing dates at any time. Any changes to the Cluster Application Window interval and opening or closing dates will be posted on the Distribution Provider's website. If there is a conflict between the Cluster Application Window interval and opening or closing dates posted on the Distribution Provider's website and the dates identified in the paragraph above, the dates posted on the Distribution Provider's website shall control.

4.2 Processing of Interconnection Request

4.2.1 Initiating an Interconnection Request. To initiate an Interconnection Request under the Cluster Study Process, an Interconnection Customer either seeking (1) to interconnect a proposed Generating Facility with the Distribution Provider's Distribution System, or (2) to increase the capacity of a Generating Facility that has achieved Commercial Operation, must submit during a Cluster Application Window all of the following: (i) an Interconnection Study Deposit equal to \$50,000 plus \$1,000 per MW of electrical output of the Generating Facility, or the increase in electrical output of the existing Generating Facility, as applicable, rounded up to the nearest whole megawatt, up to a maximum of \$250,000, (ii) a completed Interconnection Request in the form of Appendix 1 to the GIP, including requested Deliverability status, preferred Point of Interconnection and voltage level, and all other technical data, and (iii) demonstration of Site Exclusivity or a posting of a Site Exclusivity Deposit of \$100,000 for a Small Generating Facility or \$250,000 for a Large Generating Facility. The demonstration of Site Exclusivity, at a minimum, must be through the Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility.

An Interconnection Customer seeking to exercise the Annual Full Capacity Deliverability Option for Full Capacity Deliverability Status or Partial Capacity Deliverability Status in accordance with GIP Section 4.7 must submit during the applicable Cluster Application Window all of the following: (i) a completed Interconnection Request in the form of Appendix 1 to the GIP, including requested Deliverability status, preferred Point of Interconnection and voltage level, and all other technical data, and (ii) a non-refundable \$10,000 study fee.

4.2.1.1 Use of Interconnection Study Deposit. The Interconnection Study Deposit shall be applied to pay for prudent costs incurred by

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the Distribution Provider, the ISO, or third parties at the direction of the Distribution Provider or ISO, as applicable, to perform and administer the Interconnection Studies.

The Interconnection Study Deposits shall be refundable as follows:

- (a) Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 on or before thirty (30) Calendar Days following the Scoping Meeting, the Distribution Provider shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit that exceeds the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).
- (b) Should an Interconnection Request made under GIP Section 4.2.1 be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 more than thirty (30) Calendar Days after the Scoping Meeting, but on or before thirty (30) Calendar Days following the Results Meeting for the Phase I Interconnection Study, the Distribution Provider shall refund to the Interconnection Customer the difference between (i) the Interconnection Customer's Interconnection Study Deposit and (ii) the greater of the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf or one-half of the original Interconnection Study Deposit up to a maximum of \$100,000, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).
- (c) Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 at any time more than thirty (30) Calendar Days after

the Results Meeting for the Phase I Interconnection Study, the Interconnection Study Deposit shall be non-refundable.

- (d) Upon execution of a GIA by an Interconnection Customer and the Distribution Provider, or the approval by FERC of an unexecuted GIA, the Distribution Provider shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit that exceeds the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).

Notwithstanding the foregoing, an Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request during an Interconnection Study Cycle shall be obligated to pay to the Distribution Provider all costs in excess of the Interconnection Study Deposit that have been prudently incurred or irrevocably have been committed to be incurred with respect to that Interconnection Request prior to withdrawal. The Distribution Provider will reimburse the ISO or third parties, as applicable, for all work performed on behalf of the withdrawn Interconnection Request at the Distribution Provider's direction. The Interconnection Customer must pay all monies due before it is allowed to obtain any Interconnection Study data or results. Any proceeds of the Interconnection Study Deposit not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed to be incurred for the Interconnection Studies shall be remitted to the ISO and treated in accordance with Section 7.6 of Appendix DD to the ISO Tariff.

4.2.1.2 Use of Site Exclusivity Deposit. The Site Exclusivity Deposit shall be refundable to the Interconnection Customer at any time upon demonstration of Site Exclusivity or the Interconnection Request is withdrawn by the Interconnection Customer or deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11. The refund of the Site Exclusivity Deposit shall include interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii). The Site Exclusivity Deposit shall continue to be required after the Interconnection Customer either executes a GIA or requests the

filing of an unexecuted GIA under GIP Section 9.1 if Site Exclusivity has not been demonstrated.

4.2.2 Validation of Interconnection Request.

4.2.2.1 Acknowledgment of Interconnection Request. The Distribution Provider shall notify the Interconnection Customer within ten (10) Business Days of receipt of the Interconnection Request, which notice shall state whether the Interconnection Request is deemed valid.

4.2.2.2 Deficiencies in Interconnection Request. An Interconnection Request will not be considered to be a valid request until all items in GIP Section 4.2.1 have been received by Distribution Provider and deemed valid by the Distribution Provider. If an Interconnection Request fails to meet the requirements set forth in GIP Section 4.2.1, Distribution Provider shall include in its notification to the Interconnection Customer under GIP Section 4.2.2.1 the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Distribution Provider the additional requested information needed to constitute a valid request. Whenever the additional requested information is provided by the Interconnection Customer, the Distribution Provider shall notify the Interconnection Customer within five (5) Business Days of receipt of the additional requested information whether the Interconnection Request is valid. If the Interconnection Request continues to fail to meet the requirements set forth in GIP Section 4.2.1, the Distribution Provider shall include in its notification to the Interconnection Customer the reasons for such failure. If an Interconnection Request has not been deemed valid, the Interconnection Customer must submit all information necessary to meet the requirements of GIP Section 4.2.1 no later than twenty (20) Business Days after the close of the applicable Cluster Application Window or ten (10) Business Days after the Distribution Provider first provided notice that the Interconnection Request was not valid, whichever is later. Interconnection Requests that have not met the requirements of GIP Section 4.2.1, within twenty (20) Business Days after the close of the applicable Cluster Application Window or ten (10) Business Days after the Distribution Provider first provided notice that the Interconnection Request was not valid, whichever is later, will not be included in Interconnection Study Cycle and will be deemed invalid.

Interconnection Requests deemed invalid under this GIP Section 4.2.2.2 are not subject to GIP Section 3.11. Interconnection

Customers with invalid Interconnection Requests under this GIP Section 4.2.2.2 may seek relief under GIP Section 11.2 by so notifying the Distribution Provider within two (2) Business Days of the notice of invalidity.

4.3 Scoping Meeting

Within five (5) Business Days after the Distribution Provider notifies the Interconnection Customer of a valid Interconnection Request, the Distribution Provider shall establish a date agreeable to the Interconnection Customer and the ISO, if applicable, for the Scoping Meeting. All Scoping Meetings shall occur no later than sixty (60) Calendar Days after the close of the Cluster Application Window, unless otherwise mutually agreed upon by the Parties. The Distribution Provider, in coordination with the ISO, shall determine whether the Interconnection Request is at or near the boundary of an Affected System(s) so as to potentially affect such third parties. If such a determination is made, the Distribution Provider shall invite the Affected System Operator(s) in accordance with GIP Section 3.7, to the Scoping Meeting by informing such third parties of the time and place of the scheduled Scoping Meeting as soon as practicable.

A Scoping Meeting is not required for Interconnection Customers seeking to exercise the Annual Full Capacity Deliverability Option under GIP Section 4.7.1 for Full Capacity Deliverability Status or Partial Capacity Deliverability Status.

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

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

4.4 Generator Interconnection Study Process Agreement

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

A Generator Interconnection Study Process Agreement is not required for Interconnection Customers seeking to exercise the Annual Full Capacity Deliverability Option under GIP Section 4.7.1 for Full Capacity Deliverability Status or Partial Capacity Deliverability Status.

4.5 Interconnection Studies

4.5.1 Grouping Interconnection Requests. At Distribution Provider's option, and in coordination with the ISO, as applicable, an Interconnection Request received during a particular Cluster Application Window may be studied individually or in a Group Study for the purpose of conducting one or more of the analyses forming the Interconnection Studies. For each Interconnection Study within an Interconnection Study Cycle, the Distribution Provider, in coordination with the ISO, may develop one or more Group Studies. A Group Study will include Interconnection Requests that electrically affect one another with respect to the analysis being performed without regard to the nature of the underlying Interconnection Service and the ISO's annual Transmission Plan. Grouping of Interconnection Requests for the purpose of determining Distribution System impacts and mitigation, as determined by the Distribution Provider, may differ from the grouping required for determining impacts and mitigation on the ISO Grid as determined by the Distribution Provider, in coordination with the ISO, given the non-network nature of the Distribution System. The Distribution Provider may also, in coordination with the ISO, as applicable, conduct an Interconnection Study for an Interconnection Request separately to the

extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Generating Facility from other Generating Facilities with Interconnection Requests in the same Interconnection Study Cycle.

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

4.5.2 The Interconnection Studies. The Interconnection Studies consist of a Phase I Interconnection Study and a Phase II Interconnection Study, which will include, but not be limited to, short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The analysis of impacts on, and upgrades required to, the ISO Grid will be directed by the ISO pursuant to the terms and conditions of Appendix Y of the ISO Tariff for Queue Cluster 4 or Appendix DD of the ISO Tariff for Queue Cluster 5 and subsequent Queue Clusters. The Interconnection Studies will identify direct Interconnection Facilities, Distribution Upgrades and required Reliability Network Upgrades necessary to mitigate thermal overloads and voltage violations, and address short circuit, stability, and reliability issues associated with the output of the Generating Facility. For Generating Facilities with storage which will charge from the Distribution System, the Interconnection Studies will include a non-binding preliminary analysis of the ability of the Distribution System to accommodate the requested Charging Capacity utilizing available capacity on the existing Distribution System and subject to limitations and/or restrictions as may be set forth in the GIA.

The Interconnection Studies will also identify Delivery Network Upgrades to allow the full output of a Generating Facility selecting Full Capacity Deliverability Status, the elected output of a Generating Facility seeking Partial Capacity Deliverability Status, and, as applicable, the maximum allowed output of the interconnecting Generating Facility without one or more Delivery Network Upgrades in accordance with the On-Peak Deliverability Assessment and Off-Peak Deliverability Assessment set forth in Appendix Y of the ISO Tariff or in Appendix DD of the ISO Tariff, as applicable.

The Distribution Provider will prepare an Interconnection Study report to document the results of the Interconnection Study. The report shall include the results of the analysis of the impacts on and the upgrades required to the Distribution System, and the costs of the Distribution Provider's Interconnection Facilities and Distribution Upgrades, as well as

the results of the analysis of impacts on and the upgrades required to the ISO Grid, and the costs of the Network Upgrades.

All cost estimates for Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades contained in the Interconnection Studies will be set forth in the Interconnection Study report in present dollar costs as well as time-adjusted dollar costs, adjusted to the estimated year of construction of the components being constructed.

4.5.3 Scope and Purpose of the Phase I Interconnection Study. The Phase I Interconnection Study shall (i) evaluate the impact of all Interconnection Requests received during the Cluster Application Window for a particular year on the Distribution System and ISO Grid, (ii) preliminarily identify the Distribution Upgrades needed to address the impacts on the Distribution System; (iii) preliminarily identify the Network Upgrades needed to address the impacts on the ISO Grid of the Interconnection Requests, (iv) preliminarily identify for each Interconnection Request required Distribution Provider's Interconnection Facilities, (v) assess the Point of Interconnection selected by each Interconnection Customer and potential alternatives to evaluate potential efficiencies in overall system upgrade costs, (vi) establish the maximum cost responsibility for Network Upgrades assigned to each Interconnection Request in Queue Cluster 4 in accordance with GIP Section 4.5.4, (vii) establish the maximum cost responsibility for Reliability Network Upgrades and Local Delivery Network Upgrades assigned to each Interconnection Request until the issuance of the Phase II Interconnection Study report, as well as provide an estimate of the cost responsibility for Area Delivery Network Upgrades, assigned to each Interconnection Request in Queue Cluster 5 and subsequent Queue Clusters in accordance with GIP Section 4.5.4, (viii) provide a good faith estimate of the cost of Distribution Upgrades and Distribution Provider's Interconnection Facilities for each Interconnection Request, and (ix) for Generating Facilities with storage which will charge from the Distribution System, provide a non-binding preliminary analysis of the ability of the Distribution System to accommodate the requested Charging Capacity utilizing available capacity on the existing Distribution System. The portion of the Phase I Interconnection Study required to evaluate impacts on the ISO Grid will be conducted in coordination with the ISO in a manner consistent with the procedures set forth in the ISO Tariff GIP.

The Phase I Interconnection Study will consist of a short circuit analysis, a stability analysis to the extent the Distribution Provider and ISO reasonably expect transient or voltage stability concerns, a power flow analysis, including off-peak analysis, and an On-Peak Deliverability Assessment and Off-Peak Deliverability Assessment in accordance with Appendix Y of the ISO Tariff for Queue Cluster 4 or Appendix DD of the

ISO Tariff for Queue Cluster 5 and subsequent Queue Clusters. The short circuit analysis will include an evaluation of the short circuit duty impacts of all Generating Facilities interconnecting to the Distribution System on the Transmission System, including Generating Facilities being studied under the Independent Study Process. The Phase I Interconnection Study will state for each Group Study or Interconnection Request studied individually (i) the assumptions upon which it is based, (ii) the results of the analyses, and (iii) the requirements or potential impediments to providing the requested Interconnection Service to all Interconnection Requests in a Group Study or to the Interconnection Request studied individually. The Phase I Interconnection Study will provide, without regard to the requested Commercial Operation Dates of the Interconnection Requests, a list of Distribution Upgrades and Network Upgrades that are preliminarily identified as required as a result of the Interconnection Requests in a Group Study or as a result of any Interconnection Request studied individually and Distribution Provider's Interconnection Facilities associated with each Interconnection Request, and an estimate of any other financial impacts (i.e., on Local Furnishing Bonds).

4.5.4 Identification of and Cost Allocation Methods for Network Upgrades and Distribution Upgrades in Phase I Interconnection Study.

4.5.4.1 Reliability Network Upgrades.

4.5.4.1.1 For Queue Cluster 4. The short circuit, stability, and power flow analyses will be performed pursuant to Appendix Y of the ISO Tariff. The short circuit and stability analyses for each Interconnection Request either individually or as part of a Group Study will preliminarily identify the Reliability Network Upgrades needed to interconnect the Generating Facilities to the Distribution System. The power flow analyses for each Interconnection Request either individually or as part of a Group Study will identify reliability criteria violations, including applicable thermal overloads, that must be mitigated by Reliability Network Upgrades. The estimated costs of the Reliability Network Upgrades shall be assigned in accordance with Appendix Y of the ISO Tariff.

4.5.4.1.2 For Queue Cluster 5 and Subsequent Queue Clusters. The short circuit, stability, and power flow analyses will be performed pursuant to Appendix DD of the ISO Tariff. The short circuit and stability analyses for each Interconnection Request either individually or as part of a

Group Study will preliminarily identify the Reliability Network Upgrades needed to interconnect the Generating Facilities to the Distribution System. The power flow analyses for each Interconnection Request either individually or as part of a Group Study will identify reliability criteria violations, including applicable thermal overloads, that must be mitigated by Reliability Network Upgrades. The estimated costs of the Reliability Network Upgrades shall be assigned in accordance with Appendix DD of the ISO Tariff.

4.5.4.2 Delivery Network Upgrades.

4.5.4.2.1 The On-Peak Deliverability Assessment.

4.5.4.2.1.1 For Queue Cluster 4. An On-Peak Deliverability Assessment will be performed for Interconnection Customers selecting Full Capacity Deliverability Status or Partial Capacity Deliverability Status in their Interconnection Requests pursuant to Appendix Y of the ISO Tariff. The On-Peak Deliverability Assessment will identify preliminary Delivery Network Upgrades required to provide the Generating Facility with Full Capacity Deliverability Status or the requested MW of Partial Capacity Deliverability Status. The estimated costs of Delivery Network Upgrades identified in the On-Peak Deliverability Assessment will be estimated and assigned in accordance with Appendix Y of the ISO Tariff.

4.5.4.2.1.2 For Queue Cluster 5 and Subsequent Queue Clusters. An On-Peak Deliverability Assessment will be performed for Interconnection Customers selecting Full Capacity Deliverability Status or Partial Capacity Deliverability Status in their Interconnection Requests pursuant to Appendix DD of the ISO Tariff. The On-Peak Deliverability Assessment will identify preliminary Delivery Network Upgrades, which shall consist of Local Delivery Network Upgrades and Area Delivery Network Upgrades, required to provide the Generating

Facility with Full Capacity Deliverability Status or Partial Capacity Deliverability Status. The estimated costs of Delivery Network Upgrades identified in the On-Peak Deliverability Assessment will be estimated and assigned in accordance with Appendix DD of the ISO Tariff.

4.5.4.2.2 The Off-Peak Deliverability Assessment.

4.5.4.2.2.1 For Queue Cluster 4. An Off-Peak Deliverability Assessment will be performed, pursuant to Appendix Y of the ISO Tariff, for Interconnection Customers to identify transmission upgrades in addition to those Delivery Network Upgrades identified in the On-Peak Deliverability Assessment, that includes one or more Location Constrained Resource Interconnection Generators (LCRIG) as defined in the ISO Tariff, where the fuel source or source of energy for the LCRIG substantially occurs during off-peak conditions. The estimated costs and treatment of such upgrades shall be in accordance with Appendix Y of the ISO Tariff.

4.5.4.2.2.2 For Queue Cluster 5 and Subsequent Queue Clusters. An Off-Peak Deliverability Assessment will be performed, pursuant to Appendix DD of the ISO Tariff, for Interconnection Customers to identify transmission upgrades in addition to those Delivery Network Upgrades identified in the On-Peak Deliverability Assessment, that includes one or more LCRIG as defined in the ISO Tariff, where the fuel source or source of energy for the LCRIG substantially occurs during off-peak conditions. The estimated costs and treatment of such upgrades shall be in accordance Appendix DD of the ISO Tariff.

4.5.4.3 Distribution Upgrades. The Distribution Provider will perform short circuit analyses and stability analyses, if required, for each Interconnection Request either individually or as part of a Group Study to preliminarily identify the Distribution Upgrades needed to interconnect the Generating Facility to the Distribution System.

The Distribution Provider shall also perform power flow analyses, under a variety of system conditions, for each Interconnection Request either individually or as part of a Group Study to identify reliability criteria violations on the Distribution System, including applicable thermal overloads, that must be mitigated by Distribution Upgrades.

The estimated costs of Distribution Upgrades identified as a result of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request. The estimated costs of Distribution Upgrades identified through a Group Study shall be assigned to all Interconnection Requests in that Group Study pro rata based on each Interconnection Request's contribution to the need for the upgrade.

4.5.5 Costs Identified in the Phase I Interconnection Study Report Form the Basis of Initial Interconnection Financial Security Posting. The costs assigned to Interconnection Customers for Network Upgrades shall establish the basis for the initial Interconnection Financial Security posting required from each Interconnection Customer under GIP Section 4.8.2 for such Network Upgrades. In contrast, the costs assigned to Interconnection Customers for Distribution Provider's Interconnection Facilities and Distribution Upgrades under GIP Section 4.5 are estimates only that establish the basis for the initial Interconnection Financial Security required from each Interconnection Customer under GIP Section 4.8.1 for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

4.5.6 Phase I Interconnection Study Procedures. The Distribution Provider shall coordinate the Phase I Interconnection Study with the ISO pursuant to GIP Section 3.3.3, as applicable, and any Affected System Operator that is affected by the Interconnection Request pursuant to GIP Section 3.7. Existing studies shall be used to the extent practicable when conducting the Phase I Interconnection Study. The Distribution Provider will coordinate Base Case development with the ISO, as applicable, to ensure the Base Cases are accurately developed for the assessment of impacts on the ISO Grid. The Distribution Provider shall use Reasonable Efforts to complete and issue to Interconnection Customers the Phase I Interconnection Study report within one hundred thirty-four (134) Calendar Days after the commencement of the Phase I Interconnection Study for Queue Cluster 4, within two hundred (200) Calendar Days after the commencement of the Phase I Interconnection Study for Queue Cluster 5, and within one hundred seventy (170) Calendar Days after the commencement of the Phase I Interconnection Study beginning with Queue Cluster 6; however, each individual study or Group Studies may be completed prior to this maximum time where practicable based on factors,

including, but not limited to, the number of Interconnection Requests in the Cluster Application Window, study complexity, and reasonable availability of subcontractors as provided under GIP Section 3.3.3.3. The Distribution Provider will share applicable study results with the ISO and Affected System Operators, if applicable, for review and comment and will incorporate comments into the study report. The Distribution Provider will issue a final Phase I Interconnection Study report to the Interconnection Customer.

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

Upon request, the Distribution Provider shall provide the Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Phase I Interconnection Study, subject to confidentiality arrangements consistent with GIP Section 11.1.

4.5.7 Phase I Interconnection Study Results Meeting. Within thirty (30) Calendar Days of issuing the Phase I Interconnection Study report to the Interconnection Customer, the Distribution Provider, the ISO, and Affected System Operators, if applicable, and the Interconnection Customer shall hold a Results Meeting to discuss the results of the Phase I Interconnection Study, including assigned cost responsibility.

Should the Interconnection Customer provide written comments on the final Phase I Interconnection Study report within ten (10) Business Days of receipt of the report, but in no event less than three (3) Business Days before the Results Meeting conducted to discuss the report, whichever is sooner, the Distribution Provider will address the written comments in the Phase I Interconnection Study Results Meeting. Should the Interconnection Customer provide comments at any later time (up to the time of the Results Meeting), then such comments shall be considered informal inquiries to which the Distribution Provider will provide, to the extent possible, informal, informational responses at the Results Meeting.

The Interconnection Customer may submit, in writing, additional comments on the final Phase I Interconnection Study report up to (3) Business Days following the Results Meeting. Based on any discussion at

the Results Meeting and any comments received, the Distribution Provider (in consultation with the ISO) will determine, in accordance with GIP Section 4.5.7.4, whether it is necessary to follow the final Phase I Interconnection Study report with a revised study report or an addendum. Written comments on the Phase I Interconnection Study report provided by the Interconnection Customer in accordance with this GIP Section 4.5.7 will be included as an addendum to the Phase I Interconnection Study report. The Distribution Provider will issue any such revised report or addendum, if required, to the Interconnection Customer, or otherwise respond in writing to the Interconnection Customer's comments, no later than fifteen (15) Business Days following the Results Meeting.

4.5.7.1 Commercial Operation Date. At the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall provide a schedule outlining key milestones including environmental survey start date, expected environmental permitting submittal date, expected procurement date of project equipment, back-feed date for project construction, and expected project construction date. This will assist the parties in determining if Commercial Operation Dates are reasonable. If major Distribution Provider's Interconnection Facilities or Distribution Upgrades for the Generating Facility have been identified in the Phase I Interconnection Study, such as telecommunications equipment to support a possible special protection system (SPS), distribution feeders to support back feed, new substation, and/or expanded substation work, permitting and material procurement lead times may result in the need to alter the proposed Commercial Operation Date. The Parties may agree to a new Commercial Operation Date. In addition, where an Interconnection Customer intends to establish Commercial Operation separately for different Electric Generating Units or project phases at its Generating Facility, it may only do so in accordance with an implementation plan agreed to in advance by the Distribution Provider and ISO, if applicable, which agreement shall not be unreasonably withheld. Where the parties cannot agree, the Commercial Operation Date determined reasonable by the Distribution Provider, in coordination with the ISO, if applicable, will be used for the Phase II Interconnection Study where the changed Commercial Operation Date is needed to accommodate the anticipated completion, assuming Reasonable Efforts by the Distribution Provider, of necessary Distribution Upgrades, Reliability Network Upgrades and/or Distribution Provider's Interconnection Facilities, pending the outcome of any relief sought by the Interconnection Customer under GIP Section 11.2. The Interconnection Customer must notify the Distribution Provider within five (5) Business Days following the Results

Meeting that it is initiating dispute procedures under GIP Section 11.2.

4.5.7.2 Modifications.

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

4.5.7.2.2 At the Phase I Interconnection Study Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection Request. After the issuance of the final Phase I Interconnection Study, but no later than ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to Distribution Provider, in writing, modifications to any information provided in the Interconnection Request. The Distribution Provider will forward the Interconnection Customer's modification to the ISO within two (2) Business Days of receipt.

Modifications permitted under this GIP Section 4.5.7.2 shall include specifically: (a) a decrease in the electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics; (c) modifying the interconnection configuration; (d) modifying the In-Service Date, Initial Synchronization Date, and/or Commercial Operation Date that meets the criteria set forth in GIP Section 3.9 and is acceptable to the Distribution Provider, such acceptance not to be unreasonably withheld; and (e) change in requested Deliverability to Energy-Only Deliverability Status, from

Full Capacity Deliverability Status to Partial Capacity Deliverability Status, or from Partial Capacity Deliverability Status to a lower fraction of Partial Capacity Deliverability Status.

For any modification other than these, the Interconnection Customer must first request that Distribution Provider evaluate whether such modification is a Material Modification in accordance with GIP Section 4.5.7.2.3. In response to Interconnection Customer's request, Distribution Provider, in coordination with the ISO, if applicable, and any Affected System Operator, if applicable, shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The Distribution Provider may, at its option, engage the services of the ISO to assist in the assessment of the modification. Any change to the Point of Interconnection, except for that specified by the Distribution Provider in an Interconnection Study or otherwise allowed under this GIP Section 4.5.7.2, shall constitute a Material Modification. Interconnection Customer shall then either:

- (i) withdraw the proposed modification, or
- (ii) withdraw its Interconnection Request and submit a new Interconnection Request during a subsequent Cluster Application Window reflecting such modification.

The Interconnection Customer shall remain eligible for the Phase II Interconnection Study if the modifications are in accordance with this GIP Section 4.5.7.2.

4.5.7.2.3 For any modifications other than those permitted under GIP Section 4.5.7.2.2, the Interconnection Customer shall provide the Distribution Provider a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) Calendar Days from the date the Distribution Provider receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and

payment of the \$10,000 deposit. The Distribution Provider shall coordinate the modification request with the ISO. If the modification assessment cannot be completed within that time period, the Distribution Provider shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. The Interconnection Customer will be responsible for the actual costs incurred by the Distribution Provider and, if applicable, the ISO in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance within thirty (30) Calendar Days of being invoiced. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within thirty (30) Calendar Days of being invoiced.

4.5.7.3 Determination of Impact of Modifications Decreasing Generating Capacity Output or Deliverability Status Reductions on Calculation of Initial Financial Security Posting.

After receiving from the Interconnection Customer any modification elections involving decreases in electrical output (MW) of the Generating Facility and/or changes (*i.e.*, reductions) in Deliverability status as permitted in GIP Section 4.6.1, the Distribution Provider, in coordination with the ISO, will determine, based on best engineering judgment, whether such modifications will eliminate the need for any Delivery Network Upgrades identified in the Phase I Interconnection Study report. The Distribution Provider and ISO will not conduct any re-studies in making this determination.

If the Distribution Provider and ISO should determine that one or more Delivery Network Upgrades identified in the Phase I Interconnection Study are no longer needed, then, solely for purposes of calculating the amount of the Interconnection Customer's initial posting of Interconnection Financial Security under GIP Section 4.8.2, such Delivery Network Upgrade(s) will be considered to be removed from the plan of service described in the Interconnection Customer's Phase I Interconnection Study report and the cost estimates for such upgrades shall not be included in the calculation of Interconnection Financial Security in GIP Section 4.8.2. The Distribution Provider will inform in a

timely manner any Interconnection Customers so affected, and provide the Interconnection Customers with written notice of the revised amounts for the initial Interconnection Financial Security posting. No determination under this GIP Section 4.5.7.3 shall affect either (i) the timing for the initial Interconnection Financial Security posting or (ii) the maximum value for the Interconnection Customer's total cost responsibility for Network Upgrades established by the Phase I Interconnection Study report.

4.5.7.4 Revisions and Addenda to Final Interconnection Study Reports.

4.5.7.4.1 Substantial Error or Omissions: Revised Study

Report. Should the Distribution Provider discover, through written comments submitted by an Interconnection Customer or otherwise, that a final Phase I or Phase II Interconnection Study report contains a substantial error or omission, the Distribution Provider, in consultation with the ISO, as applicable, will cause a revised final report to be issued to the Interconnection Customer. A substantial error or omission shall mean an error or omission that results in one or more of the following:

- (i) understatement or overstatement of the Interconnection Customer's cost responsibility for Network Upgrades by more than five (5) percent or one million dollars (\$1,000,000), whichever is greater; or
- (ii) results in a delay to the schedule by which the Interconnection Customer can achieve Commercial Operation, based on the results of the final Interconnection Study, by more than one year.

A dispute over the plan of service by an Interconnection Customer shall not be considered a substantial error or omission unless the Interconnection Customer demonstrates that the plan of service was based on an invalid or erroneous study assumption that meets the criteria set forth above.

4.5.7.4.2 Other Errors or Omissions: Addendum. If an error or omission in an Interconnection Study report is not a substantial error or omission, the Distribution Provider shall not issue a revised final Interconnection Study report,

although the error or omission may result in an adjustment of the corresponding Interconnection Financial Security. Rather, the Distribution Provider shall document such error or omission and make any appropriate correction by issuing an addendum to the final report.

The Distribution Provider shall also incorporate, as needed, any corrected information pertinent to the terms or conditions of the GIA in the draft GIA provided to an Interconnection Customer pursuant to GIP Section 4.9.1.

4.5.7.4.3 Only Substantial Errors or Omissions Adjust Posting Dates. Only substantial errors and omissions related to the Phase I and Phase II Interconnection Study reports can result in adjustments to Interconnection Financial Security posting due dates. Once the initial and second Interconnection Financial Security posting due dates as described in this section have passed, the error or omission provisions described in this GIP Section 4.5.7.4.3 no longer apply. Unless the error or omission is a substantial error resulting in the issuance of a revised final Interconnection Study report, the correction of an error or omission shall not operate to delay any deadline for posting Interconnection Financial Security set forth in GIP Section 4.8. In the case of a substantial error or omission resulting in the issuance of a revised final Phase I or Phase II Interconnection Study report, the deadline for posting Interconnection Financial Security shall be extended as set forth in GIP Section 4.8. In addition to issuing a revised final report, the Distribution Provider will promptly notify the Interconnection Customer of any revised posting amount and extended due date occasioned by a substantial error or omission.

An Interconnection Customer's dispute of a Distribution Provider determination that an error or omission in a final study report does not constitute substantial error shall not operate to change the amount of Interconnection Financial Security that the Interconnection Customer must post or to postpone the applicable deadline for the Interconnection Customer to post Interconnection Financial Security. In case of such a dispute, the Interconnection Customer shall post the amount of Interconnection Financial Security in accordance with

GIP Section 4.8, subject to refund in the event that the Interconnection Customer prevails in the dispute.

4.6 Phase II Interconnection Study

4.6.1 Activities in Preparation for Phase II Interconnection Study. Within ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to the Distribution Provider the completed form of Attachment B (“Data Form To Be Provided by the Interconnection Customer Prior to Commencement of the Phase II Interconnection Study”) to its Generator Interconnection Study Process Agreement, a pro forma version of which is Appendix 3 to this GIP. Within such Attachment B, the Interconnection Customer shall either (i) confirm the desired Deliverability status that the Interconnection Customer had previously designated in the completed form of Attachment A to the Generator Interconnection Study Process Agreement (“Assumptions Used in Conducting the Phase I Interconnection Study”); or (ii) change the status of desired deliverability in one of the following ways:

- (a) from Full Capacity Deliverability Status to Energy-Only Deliverability Status;
- (b) from Full Capacity Deliverability Status to Partial Capacity Deliverability Status with a specified MW amount of Full Capacity Deliverability Status;
- (c) from Partial Capacity Deliverability Status to Energy-Only Deliverability Status; or
- (d) reduce Partial Capacity Deliverability Status to a lower MW amount of Full Capacity Deliverability Status.

The Distribution Provider will forward a copy of the completed form of Attachment B to the ISO.

4.6.2 Full Capacity Deliverability Status or Partial Capacity Deliverability Status Options for Interconnection Customers in Queue Cluster 5 and Subsequent Queue Clusters. This section applies to Interconnection Requests in Queue Cluster 5 and subsequent Queue Clusters for which the Generating Facility Deliverability status is either Full Capacity Deliverability Status or Partial Capacity Deliverability Status.

Within Attachment B to its Generator Interconnection Study Process Agreement, the Interconnection Customer must select one of two options with respect to its Generating Facility:

Option (A), which means that the Generating Facility requires TP Deliverability to be able to continue to Commercial Operation. If the

Interconnection Customer selects Option (A), then the Interconnection Customer shall be required to make an initial posting of Interconnection Financial Security under GIP Section 4.8.2 for the cost responsibility assigned to it in the Phase I Interconnection Study for Reliability Network Upgrades and Local Delivery Network Upgrades, and shall not be required to post Interconnection Financial Security for Area Delivery Network Upgrades; or,

Option (B), which means that the Interconnection Customer will assume cost responsibility for Delivery Network Upgrades (both Area Delivery Network Upgrades and Local Delivery Network Upgrades, to the extent applicable) without cash repayment under GIP Section 10.4.1.1 to the extent that sufficient TP Deliverability is not allocated to the Generating Facility to provide its requested amount of Deliverability status. If the Interconnection Customer selects Option (B), then the Interconnection Customer shall be required to make an initial posting of Interconnection Financial Security under GIP Section 4.8.2 for the cost responsibility assigned to it in the Phase I Interconnection Study for Reliability Network Upgrades, Local Delivery Network Upgrades and Area Delivery Network Upgrades.

- 4.6.3 Scope of the Phase II Interconnection Study.** The Distribution Provider, in coordination with the ISO, as applicable, will conduct a Phase II Interconnection Study that will incorporate eligible Interconnection Requests from the previous Phase I Interconnection Study. The Phase II Interconnection Study shall (i) update, as necessary, analyses performed in the Phase I Interconnection Study to account for the withdrawal of Interconnection Requests or other projects in the interconnection queue, (ii) identify Distribution Upgrades needed to physically interconnect the Generating Facility, (iii) assign cost responsibility for the Distribution Upgrades, (iv) identify final Reliability Network Upgrades needed to physically and reliably interconnect the Generating Facilities and provide final cost estimates, (v) for Queue Cluster 4, identify, following coordination with the ISO's transmission planning process, final Delivery Network Upgrades needed to interconnect those Generating Facilities selecting Full Capacity Deliverability Status or Partial Capacity Deliverability Status and provide final cost estimates, (vi) for Queue Cluster 5 and subsequent Queue Clusters, identify final Local Delivery Network Upgrades needed to interconnect those Generating Facilities selecting Full Capacity Deliverability Status or Partial Capacity Deliverability Status and provide final cost estimates, (vii) for Queue Cluster 5 and subsequent Queue Clusters, identify final Area Delivery Network Upgrades for those Interconnection Customers selecting Option (B) in accordance with GIP Section 4.6.2 and provide revised cost estimates, (viii) identify for each Interconnection Request the final Point of Interconnection and Distribution Provider's Interconnection Facilities,

(ix) provide an estimate for each Interconnection Request of the final Distribution Provider's Interconnection Facilities, and (x) coordinate in-service timing requirements based on operational studies in order to facilitate achievement of the Commercial Operation Dates of the Generating Facilities, as applicable. For Queue Cluster 5 and subsequent Queue Clusters, where the cost estimates applicable to the total of the Reliability Network Upgrades and Local Delivery Network Upgrades are based upon the Phase I Interconnection Study (because the cost estimates for the Network Upgrades were lower and so establish maximum cost responsibility under GIP Section 4.6.7.3), the Phase II Interconnection Study report shall recite this fact.

With respect to the foregoing items, the Phase II Interconnection Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the updated Phase II Interconnection Study technical analyses in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the Distribution System. The Phase II Interconnection Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

4.6.4 Phase II Interconnection Study Procedures. Distribution Provider shall coordinate the Phase II Interconnection Study with the ISO pursuant to GIP Section 3.3, and any Affected System Operator that is affected by the Interconnection Request pursuant to GIP Section 3.7 above. Distribution Provider shall utilize existing studies to the extent practicable in conducting the Phase II Interconnection Study. Distribution Provider will coordinate Base Case development with the ISO to ensure the Base Cases are accurately developed for the assessment of impacts on the ISO Grid. The Distribution Provider shall use Reasonable Efforts to commence the Phase II Interconnection Study January 15 of each year for Queue Cluster 4 and May 1 of each year for Queue Cluster 5 and subsequent Queue Clusters, and to complete and issue to Interconnection Customers the Phase II Interconnection Study report within one hundred ninety-six (196) Calendar Days after the annual commencement of the Phase II Interconnection Study for Queue Cluster 4 and two hundred five (205) Calendar Days after the annual commencement of the Phase II Interconnection Study for Queue Cluster 5 and subsequent Queue Clusters. The Distribution Provider will share the applicable study results with the ISO and any Affected System Operator, if applicable, for review and comment, and will incorporate comments into the study report. The

Distribution Provider will issue a final Phase II Interconnection Study report to Interconnection Customer.

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

Upon request, Distribution Provider shall provide Interconnection Customer all supporting documentation, workpapers, and relevant pre-Interconnection Request and post-Interconnection Request power, short circuit and stability databases for the Phase II Interconnection Study, subject to confidentiality arrangements consistent with GIP Section 11.1.

- 4.6.5 Coordination of the Phase II Interconnection Study with the ISO's Transmission Planning Process.** The Distribution Provider, in cooperation with the ISO, shall coordinate the analysis of impacts on the ISO Grid under the Phase II Interconnection Studies with the ISO's transmission planning process in accordance with Appendix Y or Appendix DD of ISO Tariff, as applicable.
- 4.6.6 Cost Responsibility for Distribution Upgrades.** The cost responsibility for Distribution Upgrades identified in the Phase II Interconnection Study of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request. The cost responsibility for Distribution Upgrades identified through a Group Study in the Phase II Interconnection Study shall be assigned to all Interconnection Requests in that Group Study pro rata on the basis of each Interconnection Request's contribution to the need for the Distribution Upgrade. Notwithstanding the foregoing, each Interconnection Customer will be responsible for its allocated share of the actual costs of Distribution Upgrades as set forth in this GIP Section 4.6.6.
- 4.6.7 Cost Responsibility for Network Upgrades.**
- 4.6.7.1 Cost Responsibility for Reliability Network Upgrades.** The cost responsibility for final Reliability Network Upgrades identified in the Phase II Interconnection Study shall be assigned in accordance with Appendix Y or Appendix DD of the ISO Tariff, as applicable.
- 4.6.7.2 Cost Responsibility for Delivery Network Upgrades.** The cost responsibility for Delivery Network Upgrades for Queue Cluster 4

shall be assigned in accordance with Appendix Y of the ISO Tariff. The cost responsibility for Local Delivery Network Upgrades and Area Delivery Network Upgrades for Queue Cluster 5 and subsequent Queue Clusters shall be assigned in accordance with Appendix DD of the ISO Tariff.

4.6.7.3 Costs Identified in the Phase II Interconnection Study Report Form the Basis of the Second and Third Interconnection Financial Security Postings. The Phase II Interconnection Study report shall set forth the applicable cost estimates for the Network Upgrades in accordance with this GIP Section 4.6.7 and shall establish the basis for the second and third Interconnection Financial Security postings required from each Interconnection Customer under GIP Sections 4.8.3 and 4.8.4 as set forth below.

4.6.7.3.1 For Queue Cluster 4. After the Phase II Interconnection Study report is issued to the Interconnection Customer, the maximum value for the Interconnection Financial Security required of each Interconnection Customer and the maximum cost responsibility of each Interconnection Customer for Network Upgrades shall be established by the lesser of the costs for Network Upgrades assigned to the Interconnection Customer in the final Phase I Interconnection Study report or the final Phase II Interconnection Study report.

4.6.7.3.2 For Queue Cluster 5 and Subsequent Queue Clusters. After the Phase II Interconnection Study report is issued to the Interconnection Customer, the maximum value for Interconnection Financial Security for Reliability Network Upgrades and Local Delivery Network Upgrades shall be established comparing the subtotal cost for Reliability Network Upgrades and Local Delivery Network Upgrades determined in the final Phase I Interconnection Study to the subtotal cost for Reliability Network Upgrades and Local Delivery Network Upgrades determined in the final Phase II Interconnection Study, and utilizing the lower subtotal. The lower subtotal for Reliability Network Upgrades and Local Delivery Network Upgrades shall also establish the Interconnection Customer's maximum cost responsibility for Reliability Network Upgrades and Local Delivery Network Upgrades after issuance of the Phase II Interconnection Study report.

The cost estimate for Area Delivery Network Upgrades set forth in the Phase II Interconnection Study report shall

provide the basis for second and third Interconnection Financial Postings for those Interconnection Customers that have selected Option (B). The Area Delivery Network Upgrades cost estimates provided in any Interconnection Study report are estimates only and do not provide a maximum value for cost responsibility to an Interconnection Customer for Area Delivery Network Upgrades. Notwithstanding the foregoing, each Interconnection Customer will be responsible for its allocated share of the actual costs of Area Delivery Network Upgrades as set forth in this GIP Section 4.6.7.3.2.

4.6.8 Financing Network Upgrades that are or were an Obligation of an Entity other than Interconnection Customer. The Distribution Provider shall be responsible for financing the Network Upgrades, meeting the conditions as specified below, necessary to support the interconnection of the Generating Facility of an Interconnection Customer with a GIA under this GIP, whenever either:

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

The obligation under this GIP Section 4.6.8 arises only after the Distribution Provider, in coordination with the ISO, determines that the Network Upgrades remain needed to support the interconnection of the Interconnection Customer's Generating Facility notwithstanding, as applicable, the absence or delay of the Generating Facility that is

contractually, or was previously contractually, associated with the Network Upgrades.

4.6.9 Interim Energy-Only Interconnection Until Delivery Network Upgrades Are Completed. If it is determined that the Delivery Network Upgrades cannot be completed by the Interconnection Customer's identified Commercial Operation Date, the Interconnection Study will include interim mitigation measures necessary to allow the Generating Facility to interconnect as an energy-only resource until the Delivery Network Upgrades for the Generating Facility are completed and placed into service, unless interim partial capacity deliverability measures are developed by the ISO.

4.6.10 Results Meeting with Distribution Provider and ISO. Within thirty (30) Calendar Days of providing the final Phase II Interconnection Study report to Interconnection Customer, Distribution Provider, the ISO, any Affected System Operator, if applicable, and Interconnection Customer shall meet to discuss the results of the Phase II Interconnection Study, including selection of the final Commercial Operation Date.

Should the Interconnection Customer provide written comments on the final Phase II Interconnection Study report within ten (10) Business Days of receipt of the report, but in no case less than three (3) Business Days before the Results Meeting, whichever is sooner, then the Distribution Provider, ISO, or the Affected System Operator, as applicable, will address the written comments in the Phase II Interconnection Study Results Meeting. Should the Interconnection Customer provide comments at any later time (up to the time of the Results Meeting), then such comments shall be considered informal inquiries to which the Distribution Provider will provide informal, informational responses at the Results Meeting, to the extent possible.

The Interconnection Customer may submit, in writing, additional comments on the final Phase II Interconnection Study report up to three (3) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received, the Distribution Provider (in consultation with the ISO, as applicable) will determine, in accordance with GIP Section 4.5.7.4, whether it is necessary to follow the final Phase II Interconnection Study Report with a revised study report or an addendum to the report. Written comments on the Phase II Interconnection Study report provided by the Interconnection Customer in accordance with this GIP Section 4.6.10 will be included as an addendum to the Phase II Interconnection Study report. The Distribution Provider will issue any such revised report or addendum, if required, to the Interconnection Customer, or otherwise respond in writing to the

Interconnection Customer's comments, no later than fifteen (15) Business Days following the Results Meeting.

- 4.6.11 Re-Evaluation of Distribution Upgrades Following Phase II Study.** If an assessment following the issuance of the final Phase II Interconnection Study is required to re-evaluate an Interconnection Customer's required Distribution Upgrades due to a project withdrawal, Distribution Provider shall so notify the Interconnection Customer in writing. Such re-evaluation shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of the re-evaluation shall be borne by the Interconnection Customer being re-evaluated.
- 4.6.12 Re-Evaluation of Network Upgrades Following Phase II Study.** Any re-evaluation of required Network Upgrades following issuance of the Phase II Interconnection Study due to project withdrawals shall be performed in accordance with the procedures of the ISO Tariff GIP.
- 4.6.13 Allocation Process for TP Deliverability for Queue Cluster 5 and Subsequent Queue Clusters.** After the Phase II Interconnection Study reports are issued for Queue Cluster 5 and subsequent Queue Clusters, the TP Deliverability allocation will be performed by the ISO pursuant to Appendix DD of the ISO Tariff. Within two (2) Business Days following the ISO's issuance of the market notice in accordance with Section 8.9 of Appendix DD of the ISO Tariff, the Distribution Provider will notify Interconnection Customers as to the ISO's timeline for commencement of the allocation activities, for Interconnection Customer submittal of eligibility status and retention information, and anticipated release of allocation results to Interconnection Customers. The Interconnection Customer must submit simultaneously to the Distribution Provider and the ISO the information required by Section 8.9.2 of Appendix DD to the ISO Tariff. Upon receipt from the ISO of the result of the allocation of TP Deliverability, the Interconnection Customers will have seven (7) Calendar Days to inform the Distribution Provider and the ISO of its decision in accordance with Sections 8.9.4, 8.9.5, and 8.9.6 of Appendix DD of the ISO Tariff. The Distribution Provider shall not be responsible for the results of the ISO's allocation of TP Deliverability. If the Interconnection Customer disputes the outcome of the ISO's TP Deliverability allocation, the Interconnection Customer must raise such dispute with the ISO in accordance with the ISO Tariff Dispute Resolution procedures. The results of the TP Deliverability allocation will be reflected in the GIA between the Distribution Provider and Interconnection Customer. The Interconnection Customer must demonstrate to the Distribution Provider and the ISO, in the form required by the ISO, that it meets the criteria set forth in Appendix DD of the ISO Tariff, in order to retain its TP Deliverability allocation.

4.6.13.1 Consequences of Failure to Retain TP Deliverability. An Interconnection Customer's failure to retain its allocation of TP Deliverability shall not be considered a Breach of the GIA. Upon failure of the Interconnection Customer to retain TP Deliverability, the Deliverability status of the Generating Facility corresponding to the Interconnection Request shall convert to Energy-Only Deliverability Status as to that portion of the Generating Facility which has not retained the TP Deliverability.

4.7 Additional Deliverability Assessment Option

4.7.1 Annual Full Capacity Deliverability Option. Consistent with Appendix DD of the ISO Tariff, Generating Facilities eligible for Deliverability under this section are: (i) a Generating Facility previously studied as Energy-Only Deliverability Status or which has a generator interconnection agreement under which the Generating Facility has Energy-Only Deliverability Status and such generator interconnection agreement is in good standing at the time of request under this section; (ii) an Option (A) Generating Facility not allocated TP Deliverability Status and has a GIA in good standing and desires to seek additional Deliverability with respect to the Energy-Only Deliverability Status portion of the Generating Facility; and (iii) an Option (B) Generating Facility which chose Partial Capacity Deliverability Status and has a GIA in good standing, and desires to seek additional Deliverability with respect to the Energy-Only Deliverability Status portion of the Generating Facility. An eligible Generating Facility will have an option to be studied for Full Capacity Deliverability Status (to determine whether it can be designated for Full Capacity Deliverability Status) or Partial Capacity Deliverability Status, based on available transmission capacity. To be considered in the Annual Full Capacity Deliverability Study, the Interconnection Customer must make a request for such a study which complies with GIP Section 4.2.1 within a Cluster Application Window. The Annual Full Capacity Deliverability Study will be performed by the ISO pursuant to either Appendix Y of the ISO Tariff for Queue Cluster 4, or Appendix DD of the ISO Tariff for Queue Cluster 5 and subsequent Queue Clusters. Any Interconnection Customer selecting this option will be studied by the ISO immediately following the TP Deliverability allocation following the Phase II Interconnection Studies associated with the Cluster Application Window during which the Interconnection Customer submitted the request.

4.7.1.1

Study Costs. The Distribution Provider and the ISO shall execute any necessary agreements for reimbursement of study costs incurred

and to assure cost attribution for any Network Upgrades relating to any Deliverability status conferred to such customers.

4.8 Interconnection Financial Security

4.8.1 Types of Interconnection Financial Security. The Interconnection Financial Security posted by an Interconnection Customer may be any combination of the following types of Interconnection Financial Security provided in favor of the Distribution Provider:

- (a) an irrevocable and unconditional letter of credit issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;
- (b) an irrevocable and unconditional surety bond issued by an insurance company that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;
- (c) an unconditional and irrevocable guaranty issued by a company has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;
- (d) a cash deposit standing to the credit of the Distribution Provider and in an interest-bearing escrow account maintained at a bank or financial institution that is reasonably acceptable to the Distribution Provider;
- (e) a certificate of deposit in the name of the Distribution Provider issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's; or
- (f) a payment bond certificate in the name of the Distribution Provider issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's.

Interconnection Financial Security instruments as listed above shall be in such form as the Distribution Provider may reasonably require from time to time by notice to Interconnection Customers or in such other form as has been evaluated and approved as reasonably acceptable by the Distribution Provider. The Distribution Provider shall require the use of standardized forms of Interconnection Financial Security to the greatest extent possible. If at any time the guarantor of the Interconnection Financial Security fails to maintain the credit rating required by this GIP Section 4.8.1, the Interconnection Customer shall provide to the Distribution Provider replacement Interconnection Financial Security

meeting the requirements of this GIP Section 4.8.1 within five (5) Business Days of the change in credit rating.

Interest on a cash deposit standing to the credit of the Distribution Provider in an interest-bearing escrow account under subpart (d) of this GIP Section 4.8.1 will accrue to the Interconnection Customer's benefit.

4.8.2 Initial Posting of Interconnection Financial Security. On or before ninety (90) Calendar Days after issuance of the final Phase I Interconnection Study report, Interconnection Customers must post, with notice to the Distribution Provider, two separate Interconnection Financial Security instruments: (i) a posting relating to the applicable Network Upgrades; and (ii) a posting relating to the Distribution Provider's Interconnection Facilities and Distribution Upgrades. If the Distribution Provider revises a final Phase I Interconnection Study report pursuant to GIP Section 4.5.7.4, the initial postings set forth in this GIP Section 4.8.2 will be due from the Interconnection Customer by the later of ninety (90) Calendar Days after issuance of the original final Phase I Interconnection Study report or forty (40) Calendar Days after issuance of the revised final Phase I Interconnection Study report.

4.8.2.1 Interconnection Financial Security Posting Amounts For Queue Cluster 4. First, the Interconnection Customer proposing to interconnect a Large Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen (15) percent of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, (ii) \$20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) \$7,500,000.

The Interconnection Customer proposing to interconnect a Small Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen (15) percent of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, or (ii) \$20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request.

If an Interconnection Customer switches its status from Full Capacity Deliverability Status or Partial Capacity Deliverability Status to Energy-Only Deliverability Status within ten (10) Business Days following the Phase I Interconnection Study Results Meeting, as permitted in GIP Section 4.6.1, the required Interconnection Financial Security for Network Upgrades shall be capped, for purposes of this section, at an amount no greater than the total cost responsibility assigned to the Interconnection Customer in the Phase I Interconnection Study for Reliability Network Upgrades.

Second, the Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of fifteen (15) percent of the total estimated cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

4.8.2.2 Interconnection Financial Security Posting Amounts For Queue Cluster 5 and Subsequent Queue Clusters.

4.8.2.2.1 Posting Amount for Network Upgrades for Small Generating Facilities. Each Interconnection Customer for a Small Generating Facility shall post an Interconnection Financial Security instrument as follows:

1) Interconnection Customers selecting Energy Only Deliverability Status must post for Reliability Network Upgrades. The posting amount for such Reliability Network Upgrades shall equal the lesser of (i) fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, or (ii) \$20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto.

2) Interconnection Customers selecting Option (A) Full Capacity Deliverability Status or Partial Capacity Deliverability Status must post for Reliability Network Upgrades and Local Delivery Network Upgrades. The posting amount for such Reliability Network Upgrades and Local Delivery Network Upgrades shall equal the lesser of

(i) fifteen percent (15%) of the total Reliability Network Upgrades and Local Delivery Network Upgrades cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study, or (ii) \$20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto.

3) Interconnection Customers selecting Option (B) Full Capacity Deliverability Status or Partial Capacity Deliverability Status must post for Reliability Network Upgrades, Local Delivery Network Upgrades and Area Delivery Network Upgrades. The posting amount for such Reliability Network Upgrades, Local Delivery Network Upgrades and Area Delivery Network Upgrades shall equal the lesser of (i) fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, or (ii) \$20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto.

4.8.2.2.2 Posting Amount for Network Upgrades for Large Generating Facilities. Each Interconnection Customer for a Large Generating Facility shall post an Interconnection Financial Security instrument as follows:

1) Interconnection Customers selecting Energy Only Deliverability Status must post for Reliability Network Upgrades. The posting amount for such Reliability Network Upgrades shall equal the lesser of (i) fifteen percent (15%) of the total Reliability Network Upgrades cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study, (ii) \$20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) \$7,500,000.

In addition, if an Interconnection Customer switches its status from Full Capacity Deliverability Status to Energy-Only Deliverability Status within five (5) Business Days following the Phase I Interconnection Study Results Meeting, the required Interconnection Financial Security for Network Upgrades shall, for purposes of this section, be additionally capped at an amount no greater than the total cost responsibility assigned to the Interconnection Customer in the Phase I Interconnection Study for Reliability Network Upgrades.

2) Interconnection Customers selecting Option (A) Full Capacity Deliverability Status or Partial Capacity Deliverability Status must post for Reliability Network Upgrades and Local Delivery Network Upgrades. The posting amount for such Reliability Network Upgrades and Local Delivery Network Upgrades shall equal the lesser of (i) fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, (ii) \$20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) \$7,500,000.

3) Interconnection Customers selecting Option (B) Full Capacity Deliverability Status or Partial Capacity Deliverability Status must post for Reliability Network Upgrades, Local Delivery Network Upgrades, and Area Delivery Network Upgrades. The posting amount for such Reliability Network Upgrades, Local Delivery Network Upgrades, and Area Delivery Network Upgrades shall be equal to the lesser of (i) fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, (ii) \$20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) \$7,500,000.

4.8.2.2.3 Posting Amount for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

The Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of fifteen (15) percent of the total estimated cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

4.8.2.3 Consequences for Failure to Post. The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 4.8.2 shall result in the Interconnection Request being deemed withdrawn and subject to GIP Section 3.11.

4.8.2.4 Timing of Notice to the Distribution Provider. The Interconnection Customer shall provide the Distribution Provider with written notice that it has posted the required Interconnection Financial Security no later than the applicable final day for posting.

4.8.2.5 Effect of Decrease in Output on Initial Posting Requirement. If an Interconnection Customer decreases the electrical output of its facility after the completion of the Phase I Interconnection Study, pursuant to GIP Section 4.5.7.2, and the Distribution Provider, in consultation with the ISO, is able to reasonably determine, prior to the date for initial posting of Interconnection Financial Security, that as a result of such decrease (solely or in combination with other modifications made by Interconnection Customers in the same Group Study) some of the Network Upgrades, Distribution Upgrades, and/or Distribution Provider's Interconnection Facilities identified in the Phase I Interconnection Study will no longer be required, then the calculation of the initial posting of Interconnection Financial Security will not include those Network Upgrades, Distribution Upgrades, and/or Distribution Provider's Interconnection Facilities. Such determination will be made based on the Distribution Provider's best engineering judgment and will not include any re-studies.

4.8.3 Second Posting of Interconnection Financial Security. On or before one hundred eighty (180) Calendar Days after issuance of the final Phase II Interconnection Study report, the Interconnection Customer shall post, with notice to the Distribution Provider, two separate Interconnection Financial Security instruments: (i) a posting relating to the applicable Network Upgrades; and (ii) a posting relating to the Distribution

Provider's Interconnection Facilities and Distribution Upgrades. However, if the Distribution Provider revises a final Phase II Interconnection Study report pursuant to GIP Section 4.5.7.4, the postings set forth in this GIP Section 4.8.3 will be due from the Interconnection Customer by the later of one hundred-eighty (180) Calendar Days after issuance of the original final Phase II Interconnection Study report or sixty (60) Calendar Days after issuance of the revised final Phase II Interconnection Study report.

4.8.3.1 Interconnection Financial Security Posting Amounts For Queue Cluster 4. First, the Interconnection Customer proposing to interconnect a Large Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Network Upgrades equals the lesser of (i) \$15 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Phase I Interconnection Study or final Phase II Interconnection Study, whichever is lower.

The Interconnection Customer proposing to interconnect a Small Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Network Upgrades equals the lesser of (i) \$1 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Phase I Interconnection Study or final Phase II Interconnection Study, whichever is lower.

Second, the Interconnection Customer shall also post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades equals thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer in the final Phase II Interconnection Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

4.8.3.2 Interconnection Financial Security Posting Amounts For Queue Cluster 5 and Subsequent Queue Clusters.

4.8.3.2.1 Posting Requirements and Timing for Parked Option (A) Generating Facilities. For an Interconnection Customer choosing Option (A) whose Generating Facility was not allocated TP Deliverability in the first TP

Deliverability allocation following its receipt of the final Phase II Interconnection Study, and who chooses to park the Interconnection Request, the posting due date will be extended by 12 months.

For an Interconnection Customer choosing Option (A) whose Generating Facility was allocated TP Deliverability for less than the full amount of its Interconnection Request, and who chooses to seek additional TP Deliverability for the remainder of the requested Deliverability of the Interconnection Request in the next allocation cycle, the postings for Reliability Network Upgrades, Distribution Provider's Interconnection Facilities, Distribution Upgrades and for Local Delivery Network Upgrades corresponding to the initial allocation of TP Deliverability will be due in accordance with the dates specified above. The posting due date for the Local Delivery Network Upgrades corresponding to the remainder of the requested Deliverability will be extended by 12 months.

4.8.3.2.2 Posting Amount for Network Upgrades for Small Generating Facilities. For each Interconnection Customer for a Small Generating Facility, the second Interconnection Financial Security instrument shall bring the security amount up to the following:

- 1) For Interconnection Customers selecting Energy Only Deliverability Status: the lesser of (i) \$1 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades in the final Phase II Interconnection Study report.
- 2) For Interconnection Customers who have Option (A) Generating Facilities, the lesser of (i) \$1 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades and Local Delivery Network Upgrades in the final Phase II Interconnection Study.
- 3) For Interconnection Customers who have Option (B) Generating Facilities: the lesser of (i) \$1 million, or (ii) the sum of: (a) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades and Local Delivery Network Upgrades in the final Phase II Interconnection Study; plus, (b) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for Area Delivery Network

Upgrades in the final Phase II Interconnection Study. However, to the extent that the Option (B) Interconnection Customer's Generating Facility is allocated TP Deliverability, the cost responsibility assigned to the Interconnection Customer for Area Delivery Network Upgrades will be adjusted to reflect the allocation of TP Deliverability. If the allocation of TP Deliverability is sufficient to provide for the full Deliverability of the Interconnection Request, then the Area Delivery Network Upgrades cost responsibility will equal zero (0). If the allocation of TP Deliverability is insufficient to provide the full Deliverability of the Interconnection Request, then the Area Delivery Network Upgrades cost responsibility will be reduced pro rata.

4.8.3.2.3 Posting Amount for Network Upgrades for Large Generating Facilities. Each Interconnection Customer for a Large Generating Facility shall post an Interconnection Financial Security instrument that brings the security amount up to the following:

- 1) For Interconnection Customers selecting Energy Only Deliverability Status: the lesser of (i) \$15 million or (ii) thirty (30) percent of the total cost responsibility assigned to the (i) \$15 million or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades in the final Phase II Interconnection Study.
- 2) For Interconnection Customers who have Option (A) Generating Facilities: the lesser of (i) \$15 million or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades and Local Delivery Network Upgrades in the final Phase II Interconnection Study.
- 3) For Interconnection Customers who have Option (B) Generating Facilities: the lesser of (i) \$15 million or (ii) the sum of: (a) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades and Local Delivery Network Upgrades in the final Phase II Interconnection Study; plus (b) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for Area Delivery Network Upgrades in the final Phase II Interconnection Study. However, to the extent that the Option (B) Interconnection

Customer's Generating Facility is allocated TP Deliverability, the cost responsibility assigned to the Interconnection Customer for Area Delivery Network Upgrades will be adjusted to reflect the allocation of TP Deliverability. If the allocation of TP Deliverability is sufficient to provide for the full Deliverability of the Interconnection Request, then the Area Delivery Network Upgrades cost responsibility will equal zero (0). If the allocation of TP Deliverability is insufficient to provide the full Deliverability of the Interconnection Request, then the Area Delivery Network Upgrades cost responsibility will be reduced pro rata.

4.8.3.2.4 Posting Amount for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

The Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of thirty (30) percent of the total estimated cost responsibility assigned to the Interconnection Customer in the final Phase II Interconnection Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

4.8.3.3 Early Commencement of Construction Activities. If the start date for Construction Activities of Network Upgrades, Distribution Provider's Interconnection Facilities and Distribution Upgrades on behalf of the Interconnection Customer is prior to one hundred eighty (180) Calendar Days after issuance of the final Phase II Interconnection Study report, that start date must be set forth in the Interconnection Customer's GIA, and the Interconnection Customer shall make its second posting of Interconnection Financial Security pursuant to GIP Section 4.8.4 rather than GIP Section 4.8.3.

4.8.3.4 Consequences for Failure to Post. The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 4.8.3 shall result in the Interconnection Request being deemed withdrawn and subject to GIP Section 3.11 or, if applicable, shall constitute grounds for termination of the GIA pursuant to GIA Article 2.3.

4.8.4 Third Posting of Interconnection Financial Security. On or before the start of Construction Activities for Network Upgrades or Distribution Provider's Interconnection Facilities or Distribution Upgrades on behalf of the Interconnection Customer, whichever is earlier, the Interconnection

Customer shall modify the two separate Interconnection Financial Security instruments posted pursuant to GIP Section 4.8.3.

4.8.4.1 Interconnection Financial Security Posting Amounts For Queue Cluster 4. With respect to the Interconnection Financial Security instrument for Network Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Phase I Interconnection Study or Phase II Interconnection Study, whichever is lower. With respect to the Interconnection Financial Security instrument for Distribution Provider's Interconnection Facilities or Distribution Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Distribution Provider's Interconnection Facilities in the final Phase II Interconnection Study.

4.8.4.2 Interconnection Financial Security Posting Amounts For Queue Cluster 5 and Subsequent Queue Clusters.

4.8.4.2.1 Network Upgrades. With respect to the Interconnection Financial Security instrument for Network Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades, Local Delivery Network Upgrades, and Area Delivery Network Upgrades.

An Interconnection Customer whose Option (B) Generating Facility was not allocated TP Deliverability and elects to have a party other than the Distribution Provider construct the Local Delivery Network Upgrades or Area Delivery Network Upgrades is not required to make the third posting for its cost responsibilities for such Local Delivery Network Upgrades or Area Delivery Network Upgrades. However, such Interconnection Customer will be required to demonstrate its financial capability to pay for the full cost of construction of its share, as applicable, of the Local Delivery Network Upgrades or Area Delivery Network Upgrades pursuant to Section 24.4.6.1 of the ISO Tariff. An Interconnection Customer's election to have a party other than the Distribution Provider construct Local Delivery Network Upgrades or Area Delivery Network Upgrades does not relieve the Interconnection Customer of

the responsibility to fund or construct such Local Delivery Network Upgrades or Area Delivery Network Upgrades. Upon the Interconnection Customer's demonstration to the Distribution Provider and the ISO that the Interconnection Customer has expended the amount of the avoided posting requirement on construction of the Local Delivery Network Upgrades or Area Delivery Network Upgrades described here, the Interconnection Customer's second posting for these facilities will be returned to the Interconnection Customer, unless the Distribution Provider and Interconnection Customer agree to an alternative arrangement.

4.8.4.2.2 Distribution Provider's Interconnection Facilities and Distribution Upgrades. With respect to the Interconnection Financial Security instrument for the Distribution Provider's Interconnection Facilities and Distribution Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for the Distribution Provider's Interconnection Facilities and Distribution Upgrades in the final Phase II Interconnection Study report.

4.8.4.3 Consequences for Failure to Post. The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 4.8.4 shall constitute grounds for termination of the GIA pursuant to GIA Article 2.3.

4.8.5 General Effect of Withdrawal of Interconnection Request or Termination of the GIA on Interconnection Financial Security. Except as set forth in GIP Section 4.8.5.1, withdrawal of an Interconnection Request or termination of a GIA shall allow the Distribution Provider to liquidate the Interconnection Financial Security, or balance thereof, posted by the Interconnection Customer for Network Upgrades at the time of withdrawal. To the extent the amount of the liquidated Interconnection Financial Security plus capital, if any, separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer, the Distribution Provider shall remit to the Interconnection Customer the excess amount.

Withdrawal of an Interconnection Request or termination of a GIA shall result in the release to the Interconnection Customer of any

Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer for the Distribution Provider's Interconnection Facilities and Distribution Upgrades and for which the Distribution Provider has not been reimbursed.

4.8.5.1 Conditions for Partial Recovery of Interconnection Financial Security Upon Withdrawal of Interconnection Request or Termination of GIA. A portion of the Interconnection Financial Security shall be released to the Interconnection Customer, consistent with GIP Section 4.8.5.2, if the withdrawal of the Interconnection Request or termination of the GIA occurs for any of the following reasons:

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

Interconnection Customers that attested on the TP Deliverability allocation affidavit under Section 8.9.2, part (2), subpart (a) of Appendix DD to the ISO Tariff are ineligible to claim this condition for partial recovery of Interconnection Financial Security.

- (b) **Failure to Secure a Necessary Permit.** At the time of withdrawal of the Interconnection Request or termination of the GIA, the Interconnection Customer demonstrates to the Distribution Provider that it has received a final denial from the primary issuing Governmental Authority of any permit or other authorization necessary for the construction or operation of the Generating Facility.
- (c) **Increase in the Cost of Distribution Provider's Interconnection Facilities or Distribution Upgrades.** The Interconnection Customer withdraws the Interconnection Request or terminates the GIA based on an

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increase of: (i) more than 30% or \$300,000, whichever is greater, in the estimated cost of Distribution Provider's Interconnection Facilities; or (ii) more than 30% or \$300,000, whichever is greater, in the estimated cost of Distribution Upgrades allocated to the Interconnection Customer from the Phase I Interconnection Study to the Phase II Interconnection Study. This GIP Section 4.8.5.1(c) shall not apply if the cause of the cost increase under (i) or (ii) above is the result of a change requested by the Interconnection Customer pursuant to Section 4.5.7.2 of this GIP.

- (d) **Material Change in Interconnection Customer's Interconnection Facilities Created by the Distribution Provider's Change in the Point of Interconnection.** The Interconnection Customer withdraws the Interconnection Request or terminates the GIA based on a material change from the Phase I Interconnection Study in the Point of Interconnection for the Generating Facility mandated by the Distribution Provider and included in the final Phase II Interconnection Study. A material change in the Point of Interconnection shall be where the Point of Interconnection has moved to (i) a different substation, (ii) a different line on a different right of way, or (iii) a materially different location than previously identified on the same line.
- (e) An Interconnection Customer in Queue Cluster 5 or subsequent Queue Clusters having selected Option (A) in accordance with GIP Section 4.6.2 is not allocated TP Deliverability and notifies the Distribution Provider and ISO of its election to withdraw by the deadline for the second posting of Interconnection Financial Security. This condition does not apply to an Interconnection Customer whose Generating Facility was allocated TP Deliverability for a portion of its Interconnection Request and elected to park for one Cluster Study Cycle and seek additional Deliverability in the next TP Deliverability allocation process.
- (f) An Interconnection Customer in Queue Cluster 5 or subsequent Queue Clusters having selected Option (B) in accordance with GIP Section 4.6.2 an increase in the Phase II Interconnection Study cost estimates for Area Delivery Network Upgrades over the Phase I Interconnection Study cost estimates for Area Delivery Network Upgrades of either twenty (20) percent, or \$20 million, whichever is

less. Provided, however, that the Interconnection Financial Security shall not be released if this increase in the estimated cost of Area Delivery Network Upgrades is due to the Interconnection Customer's requested modification to the interconnection configuration.

4.8.5.2 Determining Refundable Portion of the Interconnection Financial Security for Network Upgrades.

4.8.5.2.1 Withdrawal Between the First Posting and the

Deadline for the Second Posting. If the Interconnection Customer either withdraws its Interconnection Request or terminates its GIA under any of the applicable conditions (a)-(f) of GIP Section 4.8.5.1 and at any time between the initial posting and the deadline for the second posting of the Interconnection Financial Security for applicable Network Upgrades, the Distribution Provider shall liquidate the Interconnection Financial Security for the applicable Network Upgrades under GIP Section 4.8.2 and reimburse the Interconnection Customer the lesser of: (a) the Interconnection Financial Security plus any other provided security plus any separately provided capital less all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, or (b) the Interconnection Financial Security plus any other provided security plus any separately provided capital minus the lesser of (i) fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or (ii) \$10,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal.

4.8.5.2.2 Withdrawal Between the Second Posting and the Commencement of Construction Activities.

If the Interconnection Customer either withdraws its Interconnection Request or terminates its GIA under any of the applicable conditions (a)-(f) of GIP Section 4.8.5.1 and at any time between the second posting of the Interconnection Financial Security for applicable Network Upgrades and the commencement of Construction Activities for such Network Upgrades, then the Distribution Provider shall liquidate the Interconnection Financial Security for the applicable Network Upgrades under GIP Section 4.8.3 and reimburse the Interconnection Customer the lesser of: (a) the

Interconnection Financial Security plus any other provided security plus any separately provided capital less all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, or (b) the Interconnection Financial Security plus any other provided security plus any separately provided capital minus the lesser of (i) fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or (ii) \$20,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal.

4.8.5.2.3 Special Treatment Based on Failure to Obtain Necessary Permit or Authorization from

Governmental Authority. If, at any time after the second posting requirement under GIP Section 4.8.3, the Interconnection Customer withdraws the Interconnection Request or terminates the GIA, as applicable, in accordance with GIP Section 4.8.5.1(b), and the Delivery Network Upgrades to be financed by the Interconnection Customer are also to be financed by one or more other Interconnection Customers, then GIP Section 4.8.5.2.1 shall apply, except that the Interconnection Customer shall not be reimbursed for its share of any actual costs incurred or irrevocably committed by the Distribution Provider for Construction Activities.

4.8.5.2.4 After Commencement of Construction Activities.

Except as otherwise provided in GIP Section 4.8.5.2.3, once Construction Activities on Network Upgrades on behalf of the Interconnection Customer commence, any withdrawal of the Interconnection Request or termination of the GIA by the Interconnection Customer will be treated as follows: The Distribution Provider shall liquidate the Interconnection Financial Security, or balance thereof, posted by the Interconnection Customer for Network Upgrades at the time of withdrawal. To the extent the amount of the liquidated Interconnection Financial Security plus capital, if any, separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer, the Distribution Provider shall remit to the Interconnection Customer the excess amount. Withdrawal of an Interconnection Request or termination

of a GIA shall result in the release to the Interconnection Customer of any Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer for the Distribution Provider's Interconnection Facilities or Distribution Upgrades and for which the Distribution Provider has not been reimbursed in accordance with this section.

4.8.5.2.5 Notification to ISO and Accounting by Distribution Provider. The Distribution Provider will notify the ISO within three (3) Business Days of liquidating any Interconnection Financial Security. Within thirty (30) Calendar Days of any liquidating event, the Distribution Provider will provide the ISO and Interconnection Customer with an accounting of the disposition of the proceeds of the liquidated Interconnection Financial Security and remit to the ISO all proceeds not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer in accordance with this GIP Section 4.8.5. All non-refundable portions of the Interconnection Financial Security remitted to the ISO in accordance with this GIP Section 4.8.5 shall be treated in accordance with Section 7.6 of Appendix DD to the ISO Tariff.

4.8.5.3 Adjusting Network Upgrade Postings Following Reassessment Process. For Interconnection Customers in Queue Cluster 5 or subsequent Queue Clusters having selected Option (B), the most recent reassessment conducted under Section 7.4 of Appendix DD of the ISO Tariff in any Interconnection Study Cycle following the Interconnection Customer's receipt of its Phase II Interconnection Study report shall provide the most recent cost estimates for the Interconnection Customer's Area Delivery Network Upgrades, and the Interconnection Customer shall adjust its Interconnection Financial Security for Network Upgrades to correspond to the most recent estimate for Area Delivery Network Upgrades.

4.9 Generator Interconnection Agreement (GIA)

4.9.1 Tender. If the Interconnection Customer requested Full Capacity Deliverability Status or Partial Capacity Deliverability Status, then within

thirty (30) Calendar Days after the Distribution Provider provides the updated Phase II Interconnection Study report (or by an earlier date, if all parties agree) which includes the ISO's allocation of TP Deliverability to the Interconnection Customer, the Distribution Provider shall tender a draft GIA, together with draft appendices. If the Interconnection Customer requested Energy-Only Deliverability Status, then within thirty (30) Calendar Days following the Results Meeting for the final Phase II Interconnection Study (or by an earlier date, if all parties agree), the Distribution Provider shall tender a draft GIA, together with draft appendices. The draft GIA shall be in the form of Distribution Provider's FERC-approved form GIA, which is in Appendix 5 to the GIP. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices within thirty (30) Calendar Days.

However, an eligible Interconnection Customer in Queue Cluster 5 or subsequent Queue Clusters may make a one-time election to opt for a Rule 21 GIA by notifying the Distribution Provider in writing no later than seven (7) Calendar Days after the Distribution Provider provides the final Phase II Interconnection Study report to the Interconnection Customer. The draft Rule 21 GIA shall be in the form of Distribution Provider's CPUC-approved form Rule 21 GIA. To make this election, the Interconnection Customer must be eligible to interconnect under state jurisdiction at the time of election. On the date a Rule 21 GIA is executed by the Interconnection Customer and Distribution Provider, jurisdiction over the Interconnection Service reverts to the CPUC, except as otherwise provided in the Rule 21 GIA.

4.9.2 Negotiation. Notwithstanding GIP Section 4.9.1, at the request of Interconnection Customer Distribution Provider shall begin negotiations with Interconnection Customer concerning the appendices to the GIA at any time after the Distribution Provider provides the Interconnection Customer with the final Phase II Interconnection Study report. Distribution Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than one hundred twenty (120) Calendar Days after the Distribution Provider provides the Interconnection Customer with the final Phase II Interconnection Study report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft GIA pursuant to GIP Section 4.9.1 and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to GIP Section 11.2. If Interconnection Customer requests termination of the negotiations, but within one hundred twenty (120) Calendar Days after issuance of the final Phase II Interconnection Study report, fails to request either the filing of the unexecuted GIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless

otherwise agreed by the Parties, if Interconnection Customer has not executed the GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to GIP Section 11.2 within one hundred twenty (120) Calendar Days after issuance of the final Phase II Interconnection Study report, it shall be deemed to have withdrawn its Interconnection Request. Distribution Provider shall provide to Interconnection Customer a final GIA within fifteen (15) Business Days after the completion of the negotiation process.

The Distribution Provider may declare an impasse upon one hundred twenty (120) Calendar Days after issuance of the final Phase II Interconnection Study report, or at anytime following one hundred twenty (120) Calendar Days after issuance of the final Phase II Interconnection Study report if the Parties have agreed to extend negotiation of the GIA. If the Distribution Provider declares an impasse, the Distribution Provider will file the GIA unexecuted with FERC within twenty one (21) Calendar Days.

Anytime after the final Phase II Interconnection Study report is issued, if the Interconnection Customer's In-Service Date is not achievable based on the estimated time (i) to negotiate the GIA, and (ii) to construct the longest lead Network Upgrade, Interconnection Facility, or Distribution Upgrade as set forth in the Interconnection Study reports, the Interconnection Request shall be deemed withdrawn pursuant to GIP Section 3.11.

Execution of the GIA and the filing of the GIA at FERC are addressed in Section 9 of the GIP.

Section 5. Independent Study Process

5.1 Timing For Submitting Interconnection Requests

An Interconnection Customer may submit an Interconnection Request for processing under the Independent Study Process at any time during the year. The Distribution Provider, in coordination with the ISO, as applicable, will study Interconnection Requests eligible for treatment under the Independent Study Process independently from other Interconnection Requests.

5.1.1 Interconnection Requests for the Independent Study Process received by the Distribution Provider during the period commencing thirty (30) Calendar Days prior to the opening of a Cluster Application Window through the last day of the Cluster Application Window, or projects that elect to be evaluated under the Independent Study Process pursuant to GIP Sections 6.9.3, 6.11 or 6.11.5.3 that submit the required deposit during or after this period, will be placed in the interconnection queue after projects received during the applicable Cluster Application Window for the

purpose of evaluating the Electrical Independence Test and performing the Interconnection Studies.

5.2 Processing of Interconnection Request

5.2.1 Initiating an Interconnection Request. To initiate an Interconnection Customer under the Independent Study Process, Interconnection Customer must submit all of the following: (i) an Interconnection Study Deposit equal to \$50,000 plus \$1,000 per MW of electrical output of the Generating Facility, or the increase in electrical output of the existing Generating Facility, as applicable, rounded up to the nearest whole megawatt, up to a maximum of \$250,000; (ii) a completed Interconnection Request in the form of Appendix 1 to the GIP, including requested deliverability status, preferred Point of Interconnection and voltage level, and all other technical data; and (iii) demonstration of Site Exclusivity or a posting of a Site Exclusivity Deposit of \$100,000 for a Small Generating Facility or \$250,000 for a Large Generating Facility. The demonstration of Site Exclusivity, at a minimum, must be through the Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility.

5.2.1.1 Use of Interconnection Study Deposit. The Interconnection Study Deposit shall be applied to pay for prudent costs incurred by the Distribution Provider, the ISO, or third parties at the direction of the Distribution Provider or ISO, as applicable, to perform and administer the Interconnection Studies.

The Interconnection Study Deposits shall be refundable as follows:

- (a) Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 on or before thirty (30) Calendar Days following the Scoping Meeting, the Distribution Provider shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit that exceeds the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).
- (b) Should an Interconnection Request made under GIP Section 5.2.1 be withdrawn by the Interconnection

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Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 more than thirty (30) Calendar Days after the Scoping Meeting, but on or before thirty (30) Calendar Days following the Results Meeting for the Interconnection System Impact Study, the Distribution Provider shall refund to the Interconnection Customer the difference between (i) the Interconnection Customer's Interconnection Study Deposit and (ii) the greater of the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf or one-half of the original Interconnection Study Deposit up to a maximum of \$100,000, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).

- (c) Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 at any time more than thirty (30) Calendar Days after the Results Meeting for the Interconnection System Impact Study, the Interconnection Study Deposit shall be non-refundable.
- (d) Upon execution of a GIA by an Interconnection Customer and the Distribution Provider, or the approval by FERC of an unexecuted GIA, the Distribution Provider shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit that exceeds the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).

Notwithstanding the foregoing, an Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall be obligated to pay to the Distribution Provider all costs in excess of the Interconnection Study Deposit that have been prudently incurred or irrevocably have been committed to be incurred with respect to that Interconnection Request prior to withdrawal. The Distribution Provider will reimburse the ISO or

third parties, as applicable, for all work performed on behalf of the withdrawn Interconnection Request at the Distribution Provider's direction. The Interconnection Customer must pay all monies due before it is allowed to obtain any Interconnection Study data or results. Any proceeds of the Interconnection Study Deposit not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed to be incurred for the Interconnection Studies shall be remitted to the ISO and treated in accordance with Section 7.6 of Appendix DD to the ISO Tariff.

5.2.1.2 Use of Site Exclusivity Deposit. The Site Exclusivity Deposit shall be refundable to the Interconnection Customer at any time upon demonstration of Site Exclusivity or the Interconnection Request is withdrawn by the Interconnection Customer or deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11. The refund of the Site Exclusivity Deposit shall include interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii). The Site Exclusivity Deposit shall continue to be required after the Interconnection Customer either executes a GIA or requests the filing of an unexecuted GIA under GIP Section 9.1 if Site Exclusivity has not been demonstrated.

5.3 Validation of Interconnection Request

5.3.1 Acknowledgment of Interconnection Request. Distribution Provider shall notify the Interconnection Customer within ten (10) Business Days of receipt of the Interconnection Request, which notice shall state whether the Interconnection Request is deemed valid.

5.3.2 Deficiencies in Interconnection Request. An Interconnection Request will not be considered to be a valid request until all items in GIP Section 5.2.1 have been received by Distribution Provider and deemed valid by the Distribution Provider. If an Interconnection Request fails to meet the requirements set forth in GIP Section 5.2.1, Distribution Provider shall include in its notification to the Interconnection Customer under GIP Section 5.3.1 the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Distribution Provider the additional requested information needed to constitute a valid request. Whenever the additional requested information is provided by the Interconnection Customer, the Distribution Provider shall notify the Interconnection Customer within five (5) Business Days of receipt of the additional requested information whether the Interconnection Request is valid. If the Interconnection Request

continues to fail to meet the requirements set forth in GIP Section 5.2.1, the Distribution Provider shall include in its notification to the Interconnection Customer the reasons for such failure. If an Interconnection Request has not been deemed valid, the Interconnection Customer must submit all information necessary to meet the requirements of GIP Section 5.2.1 no later than twenty (20) Business Days after the date the original Interconnection Request was submitted, or ten (10) Business Days after the Distribution Provider first provided notice that the Interconnection Request was not valid, whichever is later. Interconnection Requests that have not met the requirements of GIP Section 5.2.1 within twenty (20) Business Days after the date the original Interconnection Request was submitted or ten (10) Business Days after the Distribution Provider first provided notice that the Interconnection Request was not valid, whichever is later, will not be included in the Independent Study Process and will be deemed invalid.

Interconnection Requests deemed invalid under this GIP Section 5.3.2 are not subject to GIP Section 3.11. Interconnection Customers with invalid Interconnection Requests under this GIP Section 5.3.2 may seek relief under GIP Section 11.2 by so notifying the Distribution Provider within two (2) Business Days of the notice of invalidity.

5.4 Criteria for Independent Study Process Eligibility

- (i) Any Interconnection Request that (i) specifies processing under the Independent Study Process, and (ii) passes the Electrical Independence Test as set forth in GIP Section 5.5, will be processed under the Independent Study Process.

5.5 Electrical Independence Test

The Distribution Provider will determine whether an Interconnection Request can be eligible for study under the Independent Study Process by performing the Electrical Independence Test. The Electrical Independence Test for Interconnection Requests proposing to interconnect to the Distribution System will consist of two parts, (1) the ISO's determination of electrical independence for the ISO Grid, and (2) an evaluation by the Distribution Provider of known or reasonably anticipated, in the engineering judgment of the Distribution Provider, relationships to yet-to-be completed Interconnection Studies of earlier-queued Generating Facilities to which the Generating Facility under consideration for the Electrical Independence Test is electrically related. The Interconnection Request must pass the ISO's determination of electrical independence for the ISO Grid, as well as the Distribution Provider's evaluation of electrical independence for the Distribution System, in order to be eligible for the Independent Study Process.

5.5.1 The ISO's Determination of Electrical Independence for the ISO Grid. If the Interconnection Request to the Distribution System is of sufficient MW size to be reasonably anticipated, in the engineering

judgment of the Distribution Provider and in consultation with the ISO, to require or contribute to the need for Network Upgrades, Distribution Provider will request that the ISO, in coordination with the Distribution Provider, conduct the Determination of Electrical Independence for the ISO Grid as set forth in Section 4.2 of Appendix Y of the ISO Tariff for Interconnection Requests received prior to December 1, 2012 or Section 4.2 of Appendix DD of the ISO Tariff for Interconnection Requests received on or after December 1, 2012. If the Interconnection Request does not pass the incremental power flow, aggregate power flow, and short-circuit duty tests included in Section 4.2 of Appendix Y of the ISO Tariff or Section 4.2 of Appendix DD of the ISO Tariff, as applicable, then it fails the evaluation of electrical independence for the ISO Grid.

If Distribution Provider does not reasonably anticipate, in the engineering judgment of the Distribution Provider and in consultation with the ISO, to require or contribute to the need for Network Upgrades, then the Interconnection Request will be deemed to have passed the ISO's Determination of Electrical Independence for the ISO Grid, and will be separately evaluated by Distribution Provider, as set forth in GIP Section 5.5.2.

5.5.2 The Distribution Provider's Evaluation of Electrical Independence for the Distribution System. Distribution Provider will evaluate each Interconnection Request for known or reasonably anticipated, in the engineering judgment of the Distribution Provider, relationships between the Interconnection Request and any earlier-queued Interconnection Requests in the Cluster Study Process, the Independent Study Process, or Interconnection Requests studied under predecessor interconnection procedures that have yet to complete their respective Interconnection System Impact Study or Phase I Interconnection Study. Distribution Provider will use existing Interconnection Studies, Base Case data, overall system knowledge, and engineering judgment to determine whether an Interconnection Request can be studied independently of earlier-queued generation. If the Interconnection Request being evaluated for electrical independence on the Distribution System may be electrically related to earlier-queued Generating Facilities that have yet to complete either Interconnection System Impact Study or Phase I Interconnection Study, then it fails the evaluation of electrical independence for the Distribution System.

5.5.3 Timing of Electrical Independence Test and Deemed Withdrawal Due to Failure of Electrical Independence Test. The Distribution Provider will inform an Interconnection Customer whether it has satisfied the requirements set forth in GIP Section 5.5 within twenty (20) Business Days of deeming the Interconnection Request complete. Any Interconnection Request that does not satisfy the criteria set forth in GIP

Section 5.5 shall be deemed withdrawn, without prejudice of the Interconnection Customer submitting a new Interconnection Request into a later Cluster Application Window.

An Interconnection Request that fails the Electrical Independence Test, including either the ISO's test for independence under GIP Section 5.5.1 or the Distribution Provider's test for independence under GIP Section 5.5.2, will be required to wait twelve (12) months from the date the Interconnection Customer was informed of the failure of the Electrical Independence Test to resubmit an Interconnection Request under the Independent Study Process with a similar Point of Interconnection, unless all of the relevant Interconnection System Impact and/or Phase I Interconnection Studies have been completed for the earlier-queued Generating Facilities that were the cause of the Interconnection Request failing the GIP Section 5.5 test. A similar Point of Interconnection is any Point of Interconnection that would be electrically related to the original Interconnection Request that failed the Electrical Independence Test.

5.5.3.1 Notwithstanding GIP Section 5.5.3, an Interconnection Request subject to GIP Section 5.1.1 will be informed whether it has satisfied the requirements set forth in GIP Section 5.5 within twenty (20) Business Days following the closing of the applicable Cluster Application Window. If the Interconnection Request fails the Electrical Independence Test due solely to projects that are part of the applicable Queue Cluster, the Interconnection Customer will be given a one-time option to temporarily park its Interconnection Request without further action until the Phase I Interconnection Studies have been completed for the applicable Queue Cluster and a second Electrical Independence Test is performed. To be eligible for the one-time option to park, the Interconnection Customer must notify the Distribution Provider of its election to park within ten (10) Business Days of being informed by Distribution Provider of failure of the Electrical Independence Test due solely to projects that are part of the applicable Queue Cluster.

5.6 Impact of a Request for Full Capacity Deliverability Status or Partial Capacity Deliverability Status On The Independent Study Process

Unless specified otherwise in the Interconnection Request, Generating Facilities eligible to be studied under the Independent Study Process will be assumed to have selected Energy-Only Deliverability Status. If an Interconnection Customer requests Full Capacity Deliverability Status or Partial Capacity Deliverability Status in its Interconnection Request for the Independent Study Process, the eligible Generating Facility will initially be studied in the Independent Study Process as Energy-Only Deliverability Status. The Deliverability Assessment for eligible Interconnection Requests in the Independent Study Process that request Full Capacity Deliverability Status or Partial Capacity Deliverability Status will

be performed in conjunction with the next available Cluster Study Process pursuant to GIP Section 4.5.4.2, or as part of the additional Deliverability Assessment options as set forth in GIP Section 4.7.

5.7 Scoping Meeting

Within five (5) Business Days after the Distribution Provider notifies the Interconnection Customer that the Generating Facility associated with its Interconnection Request has satisfied the Electrical Independence Test set forth in GIP Section 5.5, the Distribution Provider shall establish a date agreeable to the Interconnection Customer, and the ISO, if applicable, for the Scoping Meeting.

The purpose of the Scoping Meeting shall be to discuss reasonable Commercial Operation Dates and alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection and eliminate alternatives given resources and available information.

The Distribution Provider will bring to the meeting, as reasonably necessary to accomplish its purpose, such already available technical data, including, but not limited to, (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues.

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

Within five (5) Business Days after the Scoping Meeting, the Distribution Provider shall provide the Interconnection Customer with an Independent Study Process Study Agreement in the form set forth in Appendix 4 to the GIP, which shall contain an outline of the scope of the Interconnection System Impact Study and Interconnection Facilities Study, contain a non-binding good faith estimate of the cost to perform such studies, and shall specify that the Interconnection Customer is responsible for the actual cost of the Interconnection Studies, including reasonable administrative costs. The Interconnection Customer shall execute and deliver to the Distribution Provider the Independent Study Process Study Agreement no later than thirty (30) Calendar Days after the Scoping Meeting, or the Interconnection Request shall be deemed withdrawn.

5.8 Interconnection Studies

The Interconnection Studies shall consist of an Interconnection System Impact Study and an Interconnection Facilities Study. For Interconnection Requests received on and after December 1, 2012, the Interconnection Studies will also include the ISO's Transmission Plan. The analysis of impacts on, and upgrades required to, the ISO Grid will be directed by the ISO pursuant to the terms and conditions of Appendix Y of the ISO Tariff for Interconnection Requests received prior to December 1, 2012 or Appendix DD of the ISO Tariff for Interconnection Requests received on and after December 1, 2012. The Interconnection Studies will identify direct Interconnection Facilities, Distribution Upgrades and required Reliability Network Upgrades necessary to mitigate thermal overloads and voltage violations, and address short circuit, stability, and reliability issues associated with the output of the Generating Facility. For Generating Facilities with storage which will charge from the Distribution System, the Interconnection Studies will include a non-binding preliminary analysis of the ability of the Distribution System to accommodate the requested Charging Capacity utilizing available capacity on the existing Distribution System and subject to limitations and/or restrictions as may be set forth in the GIA.

All cost estimates for Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Reliability Network Upgrades contained in the Interconnection Studies will be set forth in the Interconnection Study report in present dollar costs as well as time-adjusted dollar costs, adjusted to the estimated year of construction of the components being constructed.

5.8.1 Interconnection System Impact Study.

5.8.1.1 Scope of the Interconnection System Impact Study. The Interconnection System Impact Study will consist of a localized short circuit analysis, a stability analysis, a power flow analysis, and any other studies that are deemed necessary. The localized short circuit analysis will evaluate impacts to the Distribution System only with any local short circuit-duty related Reliability Network Upgrades allocated to the Generating Facility that requires the upgrades. Short circuit duty impacts to the ISO Grid are appropriately evaluated only in the Cluster Study Process as set forth in GIP Section 4. The short circuit duty contribution of any Interconnection Requests studied in the Independent Study Process that are subsequently identified in the Cluster Study Process will be allocated its pro rata share of the short circuit duty-related Reliability Network Upgrades on the basis of the short circuit duty contribution of each Generating Facility.

The Interconnection System Impact Study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested Interconnection Service, including a

preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the Interconnection.

For Generating Facilities with storage which will charge from the Distribution System, the Interconnection System Impact Study shall include a non-binding preliminary analysis of the ability of the Distribution System to accommodate the requested Charging Capacity utilizing available capacity on the existing Distribution System.

The Interconnection System Impact Study shall provide a list of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Reliability Network Upgrades that are required as a result of the Interconnection Request along with a non-binding good faith estimate of cost responsibility and the amount of construction time required.

5.8.1.2 Timing of the Interconnection System Impact Study Results.

The Distribution Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within ninety (90) Calendar Days after the execution of an Independent Study Process Study Agreement. The Distribution Provider will share applicable study results with the ISO for review and comment and will incorporate comments into the study report. The Distribution Provider will issue a final Interconnection System Impact Study report to the Interconnection Customer.

At any time the Distribution Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Distribution Provider shall notify the Interconnection Customers as to the schedule status of the Interconnection System Impact Study and provide an estimated completion date with an explanation of the reasons why additional time is required.

Upon request, the Distribution Provider shall provide the Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Interconnection System Impact Study, subject to confidentiality arrangements consistent with GIP Section 11.1.

Should the Interconnection Customer provide written comments on the final Interconnection System Impact Study report within ten (10) Business Days of receipt of the report, but in no event less

than three (3) Business Days before the Results Meeting conducted to discuss the report, whichever is sooner, the Distribution Provider will address the written comments in the Interconnection System Impact Study Results Meeting. Should the Interconnection Customer provide comments at any later time (up to the time of the Results Meeting), then such comments shall be considered informal inquiries to which the Distribution Provider will provide informal, informational responses at the Results Meeting, to the extent possible.

The Interconnection Customer may submit, in writing, additional comments on the final Interconnection System Impact Study report up to (3) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received, the Distribution Provider (in consultation with the ISO) will determine, in accordance with GIP Section 5.8.1.3, whether it is necessary to follow the final Interconnection System Impact Study report with a revised study report or an addendum. The Distribution Provider will issue any such revised report or addendum to the Interconnection Customer no later than fifteen (15) Business Days following the Results Meeting.

5.8.1.3 Revisions and Addenda to Final Interconnection Study Reports.

5.8.1.3.1 Substantial Error or Omissions: Revised Study

Report. Should the Distribution Provider discover, through written comments submitted by an Interconnection Customer or otherwise, that a final Interconnection Study report contains a substantial error or omission, the Distribution Provider, in consultation with the ISO, as applicable, will cause a revised final report to be issued to the Interconnection Customer. A substantial error or omission shall mean an error or omission that results in one or more of the following:

- (i) understatement or overstatement of the Interconnection Customer's cost responsibility for Network Upgrades by more than five (5) percent or one million dollars (\$1,000,000), whichever is greater; or
- (ii) results in a delay to the schedule by which the Interconnection Customer can achieve Commercial Operation, based on the results of the final Interconnection Study, by more than one year.

A dispute over the plan of service by an Interconnection Customer shall not be considered a substantial error or omission unless the Interconnection Customer demonstrates that the plan of service was based on an invalid or erroneous study assumption that meets the criteria set forth above.

5.8.1.3.2 Other Errors or Omissions: Addendum. If an error or omission in an Interconnection Study report is not a substantial error or omission, the Distribution Provider shall not issue a revised final Interconnection Study report, although the error or omission may result in an adjustment of the corresponding Interconnection Financial Security. Rather, the Distribution Provider shall document such error or omission and make any appropriate correction by issuing an addendum to the final report.

The Distribution Provider shall also incorporate, as needed, any corrected information pertinent to the terms or conditions of the GIA in the draft GIA provided to an Interconnection Customer pursuant to GIP Section 5.10.

5.8.1.3.3 Only Substantial Errors or Omissions Adjust Posting Dates. Only substantial errors and omissions related to the Interconnection System Impact Study and Interconnection Facilities Study reports can result in adjustments to Interconnection Financial Security posting due dates. Once the initial and second Interconnection Financial Security posting due dates as described in this section have passed, the error or omission provisions described in this GIP Section 5.8.1.3.3 no longer apply. Unless the error or omission is a substantial error resulting in the issuance of a revised final Interconnection Study report, the correction of an error or omission shall not operate to delay any deadline for posting Interconnection Financial Security set forth in GIP Section 5.9.2. In the case of a substantial error or omission resulting in the issuance of a revised final Interconnection Study report, the deadline for posting Interconnection Financial Security shall be extended as set forth in GIP Section 5.9.2. In addition to issuing a revised final report, the Distribution Provider will promptly notify the Interconnection Customer of any revised posting amount and extended due date occasioned by a substantial error or omission.

An Interconnection Customer's dispute of a Distribution Provider determination that an error or omission in a final study report does not constitute substantial error shall not operate to change the amount of Interconnection Financial Security that the Interconnection Customer must post or to postpone the applicable deadline for the Interconnection Customer to post Interconnection Financial Security. In case of such a dispute, the Interconnection Customer shall post the amount of Interconnection Financial Security in accordance with GIP Section 5.9.2, subject to refund in the event that the Interconnection Customer prevails in the dispute.

5.8.1.4 Interconnection System Impact Study Results Meeting. If requested by the Interconnection Customer, a Results Meeting shall be held among the Distribution Provider, the ISO, if applicable, and the Interconnection Customer to discuss the results of the Interconnection System Impact Study, including assigned cost responsibility. Any such Results Meeting will be held within twenty (20) Business Days of the date the final Interconnection System Impact Study report is provided to the Interconnection Customer.

5.8.1.5 Initial Posting of Interconnection Financial Security. The Interconnection Customer shall make its initial posting of Interconnection Financial Security in accordance with the requirements of GIP Section 5.9.2, within sixty (60) Calendar Days after being provided with the final Interconnection System Impact Study report, or its Interconnection Request shall be deemed withdrawn. The initial posting of Interconnection Financial Security will be based on the cost responsibility for Network Upgrades, Distribution Upgrades, and Distribution Provider's Interconnection Facilities set forth in the final Interconnection System Impact Study report.

5.8.1.6 Modifications. At any time during the course of the Interconnection Studies, the Interconnection Customer, the Distribution Provider, or the ISO, as applicable, may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to the Distribution Provider, the ISO, as applicable, and Interconnection Customer, such acceptance not to be unreasonably withheld, Distribution Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes without

altering the Interconnection Request's eligibility for participating in Interconnection Studies.

At the Interconnection System Impact Study Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection Request. After the issuance of the final Interconnection System Impact Study report, but no later than five (5) Business Days following the Interconnection System Impact Study Results Meeting, the Interconnection Customer shall submit to Distribution Provider, in writing, modifications to any information provided in the Interconnection Request. The Distribution Provider will forward the Interconnection Customer's request for modification to the ISO, if applicable, within two (2) Business Days of receipt. If no Interconnection System Impact Study Results Meeting is held, the Interconnection Customer shall submit to Distribution Provider any requested modifications within twenty-five (25) Business Days of the receipt of the final Interconnection System Impact Study report.

Modifications permitted under this GIP Section 5.8.1.6 shall include specifically: (a) a decrease in the electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics; (c) modifying the interconnection configuration; and (d) modifying the In-Service Date, Initial Synchronization Date, and/or Commercial Operation Date that meets the criteria set forth in GIP Section 3.9 and is acceptable to the Distribution Provider, such acceptance not to be unreasonably withheld. Changes to the deliverability status are not allowed.

For any modification other than these, the Interconnection Customer must first request that Distribution Provider evaluate whether such modification is a Material Modification as described below. In response to Interconnection Customer's request, Distribution Provider, in coordination with the ISO, if applicable, shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The Distribution Provider may, at its option, engage the services of the ISO to assist in the assessment of the modification. Any change to the Point of Interconnection, except for that specified by the Distribution Provider in an Interconnection Study or otherwise allowed under this GIP Section 5.8.1.6, shall constitute a Material Modification. Interconnection Customer shall then either:

- (i) withdraw the proposed modification, or
- (ii) withdraw its Interconnection Request and submit a new Interconnection Request reflecting such modification.

For any modifications other than those permitted under this GIP Section 5.8.1.6, the Interconnection Customer shall provide the Distribution Provider a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) Calendar Days from the date the Distribution Provider receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. The Distribution Provider shall coordinate the modification request with the ISO. If the modification assessment cannot be completed within that time period, the Distribution Provider shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. The Interconnection Customer will be responsible for the actual costs incurred by the Distribution Provider and, if applicable, the ISO in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance within thirty (30) Calendar Days of being invoiced. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within thirty (30) Calendar Days of being invoiced.

The Interconnection Customer shall remain eligible to proceed with the Interconnection Facilities Study if the modifications are in accordance with this GIP Section 5.8.1.6.

5.8.2 Interconnection Facilities Study.

5.8.2.1 Scope and Purpose of the Interconnection Facilities Study.

Within (i) five (5) Business Days following the Results Meeting, or (ii) within twenty-five (25) Business Days of the receipt of the final Interconnection System Impact Study report if no Interconnection System Impact Study Results Meeting is held, the Interconnection Customer shall submit to the Distribution Provider the completed form of Attachment B ("Data Form To Be Provided

by the Interconnection Customer Prior to Commencement of the Interconnection Facilities Study”) to its Independent Study Process Study Agreement, a pro forma version of which is Appendix 4 to the GIP.

The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement, and construction work (including overheads) needed to implement the conclusions of the Interconnection System Impact Study technical analyses in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the Distribution System. The Interconnection Facilities Study shall also identify (i) the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Distribution Provider’s Interconnection Facilities, Distribution Upgrades, and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

5.8.2.2 Waiver of the Interconnection Facilities Study. The Interconnection Facilities Study may be waived if the Interconnection System Impact Study does not identify any Distribution Provider’s Interconnection Facilities, Distribution Upgrades, and Network Upgrades and the Distribution Provider and Interconnection Customer mutually agree to the waiver.

5.8.2.3 Timing of the Interconnection Facilities Study. The Interconnection Facilities Study will be completed within ninety (90) Calendar Days after the Interconnection Customer posts its initial Interconnection Financial Security in accordance with GIP Section 5.9.2, where Distribution Upgrades or Network Upgrades are identified. In cases where no Distribution Upgrades and/or Network Upgrades are identified and the required facilities are limited to Distribution Provider’s Interconnection Facilities only, the Interconnection Facilities Study will be completed within sixty (60) Calendar Days after the Interconnection Customer posts its initial Interconnection Financial Security.

The Distribution Provider will share the applicable study results with the ISO for review and comment, and will incorporate comments into the study report. The Distribution Provider will issue a final Interconnection Facilities Study report to Interconnection Customer.

At the request of Interconnection Customer or at any time Distribution Provider determines that it will not meet the required time frame for completing the Interconnection Facilities Study, Distribution Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study and provide an estimated completion date. If the Distribution Provider is unable to complete the Interconnection Facilities Study, such notice shall provide an explanation of the reasons why additional time is required.

Upon request, Distribution Provider shall provide Interconnection Customer all supporting documentation, workpapers, and relevant pre-Interconnection Request and post-Interconnection Request power, short circuit and stability databases for the Interconnection Facilities Study, subject to confidentiality arrangements consistent with GIP Section 11.1.

5.8.2.4 Interconnection Facility Study Results Meeting. If requested by the Interconnection Customer, within ten (10) Business Days of the date of the issuance of the final Interconnection Facilities Study report, a Results Meeting shall be scheduled among the Distribution Provider, the ISO, if applicable, and the Interconnection Customer to discuss the results of the Interconnection Facilities Study, including assigned cost responsibility. Any such Results Meeting will be held within twenty (20) Business Days of the date the final Interconnection Facilities Study report is provided to the Interconnection Customer.

Should the Interconnection Customer provide written comments on the Interconnection Facilities Study report within ten (10) Business Days of receipt of the report, but in no case less than three (3) Business Days before the Results Meeting, whichever is sooner, then the Distribution Provider, ISO, or the Affected System Operator, as applicable, will address the written comments in the Interconnection Facilities Study Results Meeting. Should the Interconnection Customer provide comments at any later time (up to the time of the Results Meeting), then such comments shall be considered informal inquiries to which the Distribution Provider will provide informal, informational responses at the Results Meeting, to the extent possible.

The Interconnection Customer may submit, in writing, additional comments on the Interconnection Facilities Study report up to three (3) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received,

the Distribution Provider (in consultation with the ISO, as applicable) will determine, in accordance with GIP Section 5.8.1.3, whether it is necessary to follow the Interconnection Facilities Study Report with a revised study report or an addendum to the report. Written comments on the Interconnection Facilities Study report provided by the Interconnection Customer in accordance with this GIP Section 5.8.2.4 will be included as an addendum to the Interconnection Facilities Study report. The Distribution Provider will issue any such revised report or addendum, if required, to the Interconnection Customer, or otherwise respond in writing to the Interconnection Customer's comments, no later than fifteen (15) Business Days following the Results Meeting.

5.8.2.5 Second and Third Postings of Interconnection Financial Security. The Interconnection Customer will post its second posting and third postings of Interconnection Financial Security as set forth in GIP Sections 5.9.3 and 5.9.4, respectively, based on the cost responsibility for Network Upgrades, Distribution Upgrades, and the Distribution Provider's Interconnection Facilities set forth in the Interconnection Facilities Study, or the Interconnection System Impact Study if the Interconnection Facilities Study is waived in accordance with GIP Section 5.8.2.2.

5.8.2.6 Deliverability Assessment. Interconnection Customers that request Full Capacity Deliverability Status or Partial Capacity Deliverability Status in their Interconnection Request will have a Deliverability Assessment performed as part of the next available Cluster Study Process. If the succeeding Deliverability Assessment identifies any Delivery Network Upgrades, including any Local Delivery Network Upgrades and Area Delivery Network Upgrades as applicable depending on the date of the Interconnection Request, that are triggered by the Interconnection Request, the Interconnection Customer will be responsible to pay its proportionate share of the costs of those Delivery Network Upgrades calculated pursuant to GIP Section 4.5.4.2. If the Generating Facility achieves its Commercial Operation Date before the Deliverability Assessment is completed and any necessary Delivery Network Upgrades are yet to be constructed, the Generating Facility will be treated as an Energy-Only Deliverability Status Generating Facility until such time as the Delivery Network Upgrades are constructed and placed into service. If the Interconnection Customer and Distribution Provider have executed a GIA before the Deliverability Assessment is completed and any required Delivery Network Upgrades are subsequently allocated to Interconnection Customer, the GIA will be amended to include the Interconnection Customer's financial

responsibility and posting of Interconnection Financial Security for the Delivery Network Upgrades.

5.8.2.7 Extensions of Commercial Operation Date. Extensions of the Commercial Operation Date for Interconnection Requests under the Independent Study Process will not be granted except in circumstances beyond the control of the Interconnection Customer.

5.8.2.8 Financing of Distribution Provider's Interconnection Facilities, Distribution Upgrades and Reliability Network Upgrades. The responsibility to finance Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Reliability Network Upgrades identified in the Interconnection Facilities Study shall be assigned solely to the Interconnection Request, with the exception of short circuit duty-related Reliability Network Upgrades for the ISO Grid identified in the Cluster Study Process, which will be allocated pro-rata based on the short circuit duty contribution of each Generating Facility requiring the upgrades.

5.8.2.9 Cost Responsibility For Delivery Network Upgrades. The cost responsibility for Delivery Network Upgrades identified in the Deliverability Assessment as part of the Cluster Study Process (for Interconnection Requests seeking Full Capacity Deliverability Status or Partial Capacity Deliverability Status) shall be assigned to the Interconnection Customer in accordance with the Cluster Study Process.

5.9 Interconnection Financial Security

5.9.1 Types of Interconnection Financial Security. The Interconnection Financial Security posted by an Interconnection Customer may be any combination of the following types of Interconnection Financial Security provided in favor of the Distribution Provider:

- (a) an irrevocable and unconditional letter of credit issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;
- (b) an irrevocable and unconditional surety bond issued by an insurance company that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;
- (c) an unconditional and irrevocable guaranty issued by a company has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;

- (d) a cash deposit standing to the credit of the Distribution Provider and in an interest-bearing escrow account maintained at a bank or financial institution that is reasonably acceptable to the Distribution Provider;
- (e) a certificate of deposit in the name of the Distribution Provider issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's; or
- (f) a payment bond certificate in the name of the Distribution Provider issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's.

Interconnection Financial Security instruments as listed above shall be in such form as the Distribution Provider may reasonably require from time to time by notice to Interconnection Customers, or in such other form as has been evaluated and approved as reasonably acceptable by the Distribution Provider.

The Distribution Provider shall require the use of standardized forms of Interconnection Financial Security to the greatest extent possible. If at any time the guarantor of the Interconnection Financial Security fails to maintain the credit rating required by this GIP Section 5.9.1, the Interconnection Customer shall provide to the Distribution Provider replacement Interconnection Financial Security meeting the requirements of this GIP Section 5.9.1 within five (5) Business Days of the change in credit rating.

Interest on a cash deposit standing to the credit of the Distribution Provider in an interest-bearing escrow account under subpart (d) of this GIP Section 5.9.1 will accrue to the Interconnection Customer's benefit.

5.9.2 Initial Posting of Interconnection Financial Security. On or before sixty (60) Calendar Days after issuance of the final Interconnection System Impact Study report, Interconnection Customer must post, with notice to the Distribution Provider, two separate Interconnection Financial Security instruments: (i) a posting relating to the Reliability Network Upgrades; and (ii) a posting relating to the Distribution Provider's Interconnection Facilities and Distribution Upgrades. If the Distribution Provider revises a final Interconnection System Impact Study report, the initial postings set forth in this GIP Section 5.9.2 will be due from the Interconnection Customer by the later of ninety (90) Calendar Days after issuance of the original final Interconnection System Impact Study report or thirty (30) Calendar Days after issuance of the revised final Interconnection System Impact Study report.

First, the Interconnection Customer proposing to interconnect a Large Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen (15) percent of the total cost responsibility assigned to the Interconnection Customer in the final Interconnection System Impact Study for Reliability Network Upgrades, (ii) \$20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) \$7,500,000.

The Interconnection Customer proposing to interconnect a Small Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Interconnection System Impact Study for Reliability Network Upgrades, or (ii) \$20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request.

Second, the Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of fifteen (15) percent of the total estimated cost responsibility assigned to the Interconnection Customer in the final Interconnection System Impact Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 5.9.2 shall result in the Interconnection Request being deemed withdrawn and subject to GIP Section 3.11.

The Interconnection Customer shall provide the Distribution Provider with written notice that it has posted the required Interconnection Financial Security no later than the applicable final day for posting.

5.9.3 Second Posting of Interconnection Financial Security. On or before one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), the Interconnection Customer shall post two separate Interconnection Financial Security instruments. If the Distribution Provider revises a final Interconnection Facilities Study report, the postings set forth in this GIP Section 5.9.3 will be due from the Interconnection Customer by the later of one hundred-twenty (120) Calendar Days after issuance of the original

final Interconnection Facilities Study report or thirty (30) Calendar Days from the issuance of the revised final Interconnection Facilities Study Report.

First, the Interconnection Customer proposing to interconnect a Large Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Reliability Network Upgrades equals the lesser of (i) \$15 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Interconnection System Impact Study or final Interconnection Facilities Study, whichever is lower.

The Interconnection Customer proposing to interconnect a Small Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Reliability Network Upgrades equals the lesser of (i) \$1 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Interconnection System Impact Study or final Interconnection Facilities Study, whichever is lower.

Second, the Interconnection Customer shall also post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades equals thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer in the final Interconnection Facilities Study, or final Interconnection System Impact Study if the Interconnection Facilities Study is waived, for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

If the start date for Construction Activities of Network Upgrades, Distribution Provider's Interconnection Facilities and Distribution Upgrades on behalf of the Interconnection Customer is prior to one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), that start date must be set forth in the Interconnection Customer's GIA and the Interconnection Customer shall make its second posting of Interconnection Financial Security pursuant to GIP Section 5.9.4 rather than GIP Section 5.9.3.

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 5.9.3 shall result in the Interconnection Request being deemed withdrawn and subject

to GIP Section 3.11 or, if applicable, shall constitute grounds for termination of the GIA pursuant to GIA Article 2.3.

5.9.4 Third Posting of Interconnection Financial Security. On or before the start of Construction Activities for Network Upgrades or Distribution Provider's Interconnection Facilities or Distribution Upgrades on behalf of the Interconnection Customer, whichever is earlier, the Interconnection Customer shall modify the two separate Interconnection Financial Security instruments posted pursuant to GIP Section 5.9.3 as follows.

With respect to the Interconnection Financial Security instrument for Reliability Network Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades in the final Interconnection Facilities Study, or the final Interconnection System Impact Study if the Interconnection Facilities Study is waived.

With respect to the Interconnection Financial Security instrument for Distribution Provider's Interconnection Facilities and Distribution Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades in the final Interconnection Facilities Study, or the final Interconnection System Impact Study if the Interconnection Facilities Study is waived.

The Interconnection Financial Security posting requirements for Delivery Network Upgrades shall be made pursuant to GIP Section 4.8.

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 5.9.4 shall constitute grounds for termination of the GIA pursuant to GIA Article 2.3.

5.9.5 General Effect of Withdrawal of Interconnection Request or Termination of the GIA on Interconnection Financial Security.

Except as set forth in GIP Section 5.9.5.1, withdrawal of an Interconnection Request or termination of a GIA shall allow the Distribution Provider to liquidate the Interconnection Financial Security, or balance thereof, posted by the Interconnection Customer for Network Upgrades at the time of withdrawal. To the extent the amount of the liquidated Interconnection Financial Security plus capital, if any, separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades in accordance with GIP Section 10.3 exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer by the final Interconnection Facilities

Study, or the final Interconnection System Impact Study if the Interconnection Facilities Study is waived, the Distribution Provider shall remit to the Interconnection Customer the excess amount.

Withdrawal of an Interconnection Request or termination of a GIA shall result in the release to the Interconnection Customer of any Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer for the Distribution Provider's Interconnection Facilities and Distribution Upgrades and for which the Distribution Provider has not been reimbursed.

5.9.5.1 Conditions for Partial Recovery of Interconnection Financial Security Upon Withdrawal of Interconnection Request or Termination of GIA. A portion of the Interconnection Financial Security shall be released to the Interconnection Customer, consistent with GIP Section 5.9.5.2, if the withdrawal of the Interconnection Request or termination of the GIA occurs for any of the following reasons:

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

Interconnection Customers that attested on the TP Deliverability allocation affidavit under Section 8.9.2, part (2), subpart (a) of Appendix DD to the ISO Tariff are ineligible to claim this condition for partial recovery of Interconnection Financial Security.

- (b) **Failure to Secure a Necessary Permit.** At the time of withdrawal of the Interconnection Request or termination of the GIA, the Interconnection Customer demonstrates to the Distribution Provider that it has received a final denial from the primary issuing Governmental Authority of any

permit or other authorization necessary for the construction or operation of the Generating Facility.

- (c) **Increase in the Cost of Distribution Provider's Interconnection Facilities or Distribution Upgrades.** The Interconnection Customer withdraws the Interconnection Request or terminates the GIA based on an increase of: (i) more than 30% or \$300,000, whichever is greater, in the estimated cost of Distribution Provider's Interconnection Facilities; or (ii) more than 30% or \$300,000, whichever is greater, in the estimated cost of Distribution Upgrades allocated to the Interconnection Customer from the Interconnection System Impact Study to the Interconnection Facilities Study. This GIP Section 5.9.5.1 (c) shall not apply if the cause of the cost increase under (i) or (ii) above is the result of a change requested by the Interconnection Customer pursuant to Section 5.8.1.6 of this GIP.
- (d) **Material Change in Interconnection Customer's Interconnection Facilities Created by the Distribution Provider's Change in the Point of Interconnection.** The Interconnection Customer withdraws the Interconnection Request or terminates the GIA based on a material change from the Interconnection System Impact Study in the Point of Interconnection for the Generating Facility mandated by the Distribution Provider and included in the final Interconnection Facilities Study. A material change in the Point of Interconnection shall be where the Point of Interconnection has moved to (i) a different substation, (ii) a different line on a different right of way, or (iii) a materially different location than previously identified on the same line.

5.9.5.2 Determining Refundable Portion of the Interconnection Financial Security for Network Upgrades.

- 5.9.5.2.1 Withdrawal Between the First Posting and the Deadline for the Second Posting.** If the Interconnection Customer either withdraws its Interconnection Request or terminates its GIA under any of the applicable conditions (a)-(d) of GIP Section 5.9.5.1 and at any time between the initial posting and the deadline for the second posting of the Interconnection Financial Security for applicable Network Upgrades, the Distribution Provider shall liquidate the Interconnection Financial Security for the

applicable Network Upgrades under GIP Section 5.9.2 and reimburse the Interconnection Customer the lesser of: (a) the Interconnection Financial Security plus any other provided security plus any separately provided capital less all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, or (b) the Interconnection Financial Security plus any other provided security plus any separately provided capital minus the lesser of (i) fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or (ii) \$10,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal.

5.9.5.2.2 Withdrawal Between the Second Posting and the Commencement of Construction Activities. If the Interconnection Customer either withdraws its Interconnection Request or terminates its GIA under any of the applicable conditions (a)-(d) of GIP Section 5.9.5.1 and at any time between the second posting of the Interconnection Financial Security for applicable Network Upgrades and the commencement of Construction Activities for such Network Upgrades, then the Distribution Provider shall liquidate the Interconnection Financial Security for the applicable Network Upgrades under GIP Section 5.9.3 and reimburse the Interconnection Customer the lesser of (a) the Interconnection Financial Security plus any other provided security plus any separately provided capital less all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, or (b) the Interconnection Financial Security plus any other provided security plus any separately provided capital minus the lesser of (i) fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or (ii) \$20,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal.

5.9.5.2.3 Special Treatment Based on Failure to Obtain Necessary Permit or Authorization from Governmental Authority. If, at any time after the second posting requirement under GIP Section 5.9.3, the Interconnection Customer withdraws the Interconnection

Request or terminates the GIA, as applicable, in accordance with GIP Section 5.9.5.1 (b), and the Delivery Network Upgrades to be financed by the Interconnection Customer are also to be financed by one or more other Interconnection Customers, then GIP Section 5.9.5.2.1 shall apply, except that the Interconnection Customer shall not be reimbursed for its share of any actual costs incurred or irrevocably committed by the Distribution Provider for Construction Activities.

5.9.5.2.4 After Commencement of Construction Activities.

Except as otherwise provided in GIP Section 5.9.5.2.3, once Construction Activities on Network Upgrades on behalf of the Interconnection Customer commence, any withdrawal of the Interconnection Request or termination of the GIA by the Interconnection Customer will be treated as follows: The Distribution Provider shall liquidate the Interconnection Financial Security, or balance thereof, posted by the Interconnection Customer for Network Upgrades at the time of withdrawal. To the extent the amount of the liquidated Interconnection Financial Security plus capital, if any, separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer, the Distribution Provider shall remit to the Interconnection Customer the excess amount. Withdrawal of an Interconnection Request or termination of a GIA shall result in the release to the Interconnection Customer of any Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer for the Distribution Provider's Interconnection Facilities or Distribution Upgrades and for which the Distribution Provider has not been reimbursed in accordance with this section.

5.9.5.2.5 Notification to ISO and Accounting by Distribution Provider. The Distribution Provider will notify the ISO within three (3) Business Days of liquidating any Interconnection Financial Security. Within thirty (30) Calendar Days of any liquidating event, the Distribution Provider will provide the ISO and Interconnection

Customer with an accounting of the disposition of the proceeds of the liquidated Interconnection Financial Security and remit to the ISO all proceeds not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer in accordance with this GIP Section 5.9.5. All non-refundable portions of the Interconnection Financial Security remitted to the ISO in accordance with this GIP Section 5.9.5 shall be treated in accordance with Section 7.6 of Appendix DD to the ISO Tariff.

5.9.6 Maximum Cost Responsibility for Interconnection Customers. The maximum value for the Interconnection Customer's Interconnection Financial Security for Reliability Network Upgrades shall be established by the lesser of the costs for Reliability Network Upgrades assigned to the Interconnection Customer in the final Interconnection System Impact Study report or final Interconnection Facilities Study report.

5.10 Generator Interconnection Agreement (GIA)

5.10.1 Tender. Within thirty (30) Calendar Days after (i) the Results Meeting for the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), or (ii) the Distribution Provider provides the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived) to the Interconnection Customer if a Results Meeting is not held, the Distribution Provider shall tender a draft GIA, together with draft appendices. The draft GIA shall be in the form of Distribution Provider's FERC-approved form GIA, which is in Appendix 6 to the GIP. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices within thirty (30) Calendar Days.

5.10.2 Negotiation. Notwithstanding GIP Section 5.10.1, at the request of Interconnection Customer Distribution Provider shall begin negotiations with Interconnection Customer concerning the appendices to the GIA at any time after the Distribution Provider provides the Interconnection Customer with the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived). Distribution Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than one hundred twenty (120) Calendar Days after the Distribution Provider provides the Interconnection Customer with the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection

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Facilities Study is waived). If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft GIA pursuant to GIP Section 5.10.1 and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to GIP Section 11.2. If Interconnection Customer requests termination of the negotiations, but within one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), fails to request either the filing of the unexecuted GIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to GIP Section 11.2 within one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), it shall be deemed to have withdrawn its Interconnection Request. Distribution Provider shall provide to Interconnection Customer a final GIA within fifteen (15) Business Days after the completion of the negotiation process.

The Distribution Provider may declare an impasse upon one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), or at anytime following one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived) if the Parties have agreed to extend negotiation of the GIA. If the Distribution Provider declares an impasse, the Distribution Provider will file the GIA unexecuted with FERC within twenty one (21) Calendar Days.

Anytime after the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived) is issued, if the Interconnection Customer's In-Service Date is not achievable based on the estimated time (i) to negotiate the GIA, and (ii) to construct the longest lead Network Upgrade, Interconnection Facility, or Distribution Upgrade as set forth in the Interconnection Study reports, the Interconnection Request shall be deemed withdrawn pursuant to GIP Section 3.11.

Execution of the GIA and the filing of the GIA at FERC are addressed in GIP Section 9.

Section 6. Fast Track Process**6.1 Eligibility and Timing For Submitting Interconnection Requests****6.1.1 Eligibility**

The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Generating Facility with the Distribution Provider's Distribution System if the Generating Facility's capacity does not exceed the size limits identified in the table below in this GIP Section 6.1.1. Generating Facilities below these limits are eligible for Fast Track review. However, Fast Track eligibility is distinct from the Fast Track Process itself, and eligibility does not imply or indicate that a Generating Facility will pass the Fast Track screens in GIP Section 6.5 below or the Supplemental Review screens in GIP Section 6.11 below.

Fast Track eligibility is determined based upon the generator type, the size of the generator, voltage of the line and the location of and the type of line at the Point of Interconnection. All Generating Facilities connecting to lines greater than 69 kilovolt (kV) are ineligible for the Fast Track Process regardless of size. All synchronous and induction machines must be no larger than 2 MW to be eligible for the Fast Track Process, regardless of location. For certified inverter-based systems, the size limit varies according to the voltage of the line at the proposed Point of Interconnection. Certified inverter-based Generating Facilities located within 2.5 electrical circuit miles of a substation and on a mainline (as defined in the table below in this GIP Section 6.1.1) are eligible for the Fast Track Process under the higher thresholds according to the table below. In addition to the size threshold, the Interconnection Customer's proposed Generating Facility must meet the codes, standards, and certification requirements of GIP Appendices 8 and 9 of these procedures, or the Distribution Provider has to have reviewed the design or tested the proposed Generating Facility and is satisfied that it is safe to operate.

Fast Track Eligibility for Inverter-Based Systems		
Line Voltage	Fast Track Eligibility Regardless of Location	Fast Track Eligibility on a Mainline ¹ and ≤ 2.5 Electrical Circuit Miles from Substation ²
< 5 kV	≤ 500 kW	≤ 500 kW
≥ 5 kV and < 15 kV	≤ 2 MW	≤ 3 MW

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≥ 15 kV and < 30 kV	≤ 3 MW	≤ 4 MW
≥ 30 kV and ≤ 69 kV	≤ 4 MW	≤ 5 MW

¹For purposes of this table, a mainline is the three-phase backbone of a circuit. It will typically constitute lines with wire sizes of 4/0 American wire gauge, 336.4 kcmil, 397.5 kcmil, 477 kcmil and 795 kcmil.

²An Interconnection Customer can determine this information about its proposed interconnection location in advance by requesting a pre-application report pursuant to GIP Section 3.1.

6.1.2 Timing For Submitting Interconnection Requests

An Interconnection Customer may submit an Interconnection Request for processing under the Fast Track Process at any time during the year.

6.2 Interconnection Request

The Interconnection Customer shall submit its Interconnection Request to the Distribution Provider, together with a non-refundable processing fee of \$500 and a non-refundable study deposit of \$1,000. Interconnection Customers requesting interconnection under the Fast Track Process may only select Energy-Only Deliverability Status. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and time-stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by the Distribution Provider within three (3) Business Days of receiving the Interconnection Request. The Distribution Provider shall notify the Interconnection Customer within ten (10) Business Days of the receipt of the Interconnection Request as to whether the Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, the Distribution Provider shall provide along with the notice that the Interconnection Request is incomplete, a written list detailing all information that must be provided to complete the Interconnection Request. The Interconnection Customer will have ten (10) Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If the Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to the Distribution Provider.

6.3 Site Exclusivity

Documentation of Site Exclusivity must be submitted with the Interconnection Request.

6.4 Initial Review

Within fifteen (15) Business Days after the Distribution Provider notifies the Interconnection Customer it has received a complete Interconnection Request, and qualifies for evaluation under the Fast Track Process, the Distribution Provider shall perform an initial review using the screens set forth below, shall notify the Interconnection Customer of the results, and include with the notification copies of the analysis and data underlying the Distribution Provider's determinations under the screens.

6.5 Screens

- 6.5.1** The proposed Generating Facility's Point of Interconnection must be on a portion of the Distribution Provider's Distribution System that is subject to the Tariff.
- 6.5.2** For interconnection of a proposed Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Generating Facility, on the circuit shall not exceed 15 % of the line section annual peak load as most recently measured at the substation. A line section is that portion of a Distribution Provider's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.
- 6.5.3** For interconnection of a proposed Generating Facility to the load side of spot network protectors, the proposed Generating Facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 5 % of a spot network's maximum load or 50 kW. For purposes of this GIP Section 6.5.3, a spot network is a type of distribution system found within modern commercial buildings to provide high reliability of service to a single customer (Standard Handbook for Electrical Engineers, 11th edition, Donald Fink, McGraw Hill Book Company).
- 6.5.4** The proposed Generating Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than 10 % to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.
- 6.5.5** The proposed Generating Facility, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed 87.5 % of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 % of the short circuit interrupting capability.

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- 6.5.6** Using the table below, determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnecting Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on the Distribution Provider's electric power system due to a loss of ground during the operating time of any anti-islanding function.

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Result/Criteria
Three-phase, three wire	3-phase or single phase, phase-to-phase	Pass screen
Three-phase, four wire	Effectively-grounded 3 phase or Single-phase, line-to-neutral	Pass screen

- 6.5.7** If the proposed Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Generating Facility, shall not exceed 20 kW.
- 6.5.8** If the proposed Generating Facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20 % of the nameplate rating of the service transformer.
- 6.5.9** The Generating Facility, in aggregate with other generation interconnected to the transmission side of a substation transformer feeding the circuit where the Generating Facility proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (e.g., three or four transmission busses from the Point of Interconnection).
- 6.5.10** No construction by the Distribution Provider of Network Upgrades on the ISO Grid or Distribution Upgrades on the Distribution System other than those upgrades solely attributable to the Generating Facility shall be required to accommodate the Generating Facility.
- 6.5.11** When the Generating Facility includes storage, the storage device(s) will not be charged from the Distribution System. The Generating Facility must include control limiting devices or other measures as approved by the Distribution Provider to ensure the storage device(s) will not charge from the Distribution System.

- 6.6** If the proposed interconnection passes the screens and does not trigger the need for the installation of new equipment or modification of existing equipment, the Interconnection Request shall be approved and the Distribution Provider will provide the Interconnection Customer a draft GIA within fifteen (15) Business Days after the determination.

If the proposed interconnection passes the screens and triggers the need for the installation of new equipment or modification of existing equipment, within fifteen (15) Business Days after the determination, the Distribution provider will provide the Interconnection Customer the scope, cost and time to complete the modifications required to interconnect the proposed Generating Facility. The Distribution Provider will provide the Interconnection Customer a draft GIA within fifteen (15) Business Days from the time the Distribution Provider provides the scope, cost and time to complete the required system modifications.

Interconnection Customer retains financial responsibility for any Interconnection Facilities, Distribution Upgrades, or Network Upgrades determined by subsequent engineering or study work, such as final engineering and design work, or other future operational or other technical study, such as to identify and determine the cost of any Distribution Provider's Interconnection Facilities required by the Generating Facility, or of short circuit duty-related Reliability Network Upgrades as assigned to the Interconnection Request during the Cluster Study Process as set forth in GIP Section 4, that are attributable to the Interconnection Request. If future engineering or other study work determines that the Interconnection Customer is financially responsible for Interconnection Facilities, Distribution Upgrades, or Network Upgrades identified in these future studies, the GIA will be amended to assign the Interconnection Customer financial responsibility for such facilities and upgrades.

- 6.7** If the proposed interconnection fails the screens, but the Distribution Provider determines that the Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards, the Distribution Provider shall provide the Interconnection Customer a draft GIA within fifteen (15) Business Days after the determination.

Interconnection Customer retains financial responsibility for any Interconnection Facilities, Distribution Upgrades, or Network Upgrades determined by subsequent engineering or study work, such as final engineering and design work, or other future operational or other technical study, such as to identify and determine the cost of any Distribution Provider's Interconnection Facilities required by the Generating Facility, or of short circuit duty-related Reliability Network Upgrades as assigned to the Interconnection Request during the Cluster Study Process as set forth in GIP Section 4, that are attributable to the Interconnection Request. If future engineering or other study work determines that the Interconnection

Customer is financially responsible for Interconnection Facilities, Distribution Upgrades, or Network Upgrades identified in these future studies, the GIA will be amended to assign the Interconnection Customer financial responsibility for such facilities and upgrades.

- 6.8** If the proposed interconnection fails the screens, and the Distribution Provider does not or cannot determine from the initial review that the Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless the Interconnection Customer is willing to consider minor modifications or further study, the Distribution Provider shall provide the Interconnection Customer with the opportunity to attend a customer options meeting.

6.9 Customer Options Meeting

If the Distribution Provider determines the Interconnection Request cannot be approved without (1) minor modifications at minimal cost, (2) a supplemental study or other additional studies or actions, or (3) incurring significant cost to address safety, reliability, or power quality problems, the Distribution Provider shall notify the Interconnection Customer of that determination within five (5) Business Days after the determination and provide copies of all data and analyses underlying its conclusion. Within ten (10) Business Days of the Distribution Provider's determination, the Distribution Provider shall offer to convene a customer options meeting with the Distribution Provider to review possible Interconnection Customer facility modifications or the screen analysis and related results, to determine what further steps are needed to permit the Generating Facility to be connected safely and reliably. At the time of notification of the Distribution Provider's determination, or at the customer options meeting, the Distribution Provider shall:

- 6.9.1** Offer to perform facility modifications or minor modifications to the Distribution Provider's electric system (e.g., changing meters, fuses, relay settings) and discuss the potential for, and the Interconnection Customer's willingness to consider, modifications to the Interconnection Customer's proposed facilities that may permit the Generating Facility to be interconnected consistent with safety, reliability, and power quality standards. If the Interconnection Customer and Distribution Provider agree upon such modifications to the Interconnection Customer's proposed facilities, within fifteen (15) Business Days of such agreement, the Distribution provider will provide a non-binding good faith estimate of the scope, cost and time to complete any required modifications to the Distribution Provider's electric system. If the Interconnection Customer agrees to pay for the modifications to the Distribution Provider's electric system, the Distribution Provider will provide the Interconnection Customer with a draft GIA within fifteen (15) Business Days of the time the Distribution Provider provides the scope, cost and time to complete the required system modifications; or

- 6.9.2** Offer to perform a supplemental review in accordance with GIP Section 6.10 and provide a non-binding good faith estimate of the costs of such review; or
- 6.9.3** Offer to continue to evaluate the Interconnection Request under the Independent Study Process without loss of queue position except under the conditions set forth in GIP Section 5.1.1, in which case the Interconnection Customer must submit the Interconnection Study Deposit set forth in GIP Section 5.2.1 to the Distribution Provider within fifteen (15) Business Days of the offer or the Interconnection Request shall be deemed withdrawn.

6.10 Supplemental Review

- 6.10.1** To accept the offer of a supplemental review, the Interconnection Customer shall agree in writing and submit a deposit for the estimated costs of the supplemental review in the amount of the Distribution Provider's good faith estimate of the costs of such review, both within fifteen (15) Business Days of the offer. If the written agreement and deposit have not been received by the Distribution Provider within that timeframe, the Interconnection Request shall be deemed withdrawn.
- 6.10.2** The Interconnection Customer may specify the order in which the Distribution Provider will complete the screens, and the preliminary charging analysis, if applicable, in GIP Section 6.11.
- 6.10.3** The Interconnection Customer shall be responsible for the Distribution Provider's actual costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within twenty (20) Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the Distribution Provider will return such excess within twenty (20) Business Days of the invoice without interest.

- 6.11** For Generating Facilities subject to supplemental review which pass the storage screen set forth in GIP Section 6.5.11, within thirty (30) Business Days following receipt of the deposit for a supplemental review, the Distribution Provider shall (1) perform a supplemental review using the screens set forth in GIP Sections 6.11.1, 6.11.2 and 6.11.3 below; (2) notify in writing the Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying the Distribution Provider's determinations under the screens.

For Generating Facilities subject to supplemental review which fail the storage screen set forth in GIP Section 6.5.11, and one or more of the other initial review

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screens set forth in GIP Section 6.5, within sixty (60) Business Days following receipt of the deposit for a supplemental review, the Distribution Provider shall (1) perform a supplemental review using the screens set forth in GIP Sections 6.11.1, 6.11.2 and 6.11.3 below, (2) perform the preliminary storage charging analysis set forth in GIP Section 6.11.4 below; (3) notify in writing the Interconnection Customer of the results; and (4) include with the notification copies of the analysis and data underlying the Distribution Provider's determinations under the screens and preliminary charging analysis.

For Generating Facilities subject to supplemental review which fail the storage screen set forth in GIP Section 6.5.11, and pass all of the other initial review screens set forth in GIP Section 6.5, within forty-five (45) Business Days following receipt of the deposit for a supplemental review, the Distribution Provider shall (1) perform the preliminary storage charging analysis set forth in GIP Section 6.11.4 below; (2) notify in writing the Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying the Distribution Provider's determinations under preliminary storage charging analysis.

Unless the Interconnection Customer provided instructions for how to respond to the failure of any of the supplemental review screens set forth in GIP Sections 6.11.1, 6.11.2 and 6.11.3 below at the time the Interconnection Customer accepted the offer of supplemental review, the Distribution Provider shall notify the Interconnection Customer following the failure of any of the screens, or if it is unable to perform the screen in GIP Section 6.11.1, within two (2) Business Days of making such determination to obtain the Interconnection Customer's permission to: (1) continue evaluating the proposed interconnection under this GIP Section 6.11; (2) terminate the supplemental review and continue evaluating the Generating Facility under the Independent Study Process subject to the conditions set forth in GIP Section 5.1.1, provided the Interconnection Customer submits the Interconnection Study Deposit set forth in Section 5.2.1 to the Distribution Provider within fifteen (15) Business Days after the date of notification; or (3) terminate the supplemental review upon withdrawal of the Interconnection Request by the Interconnection Customer. If the Interconnection Customer does not provide its permission under any of these three options within five (5) Business Days after the Distribution Provider's request for such permission, the Interconnection Request shall be deemed withdrawn.

6.11.1 Minimum Load Screen: Where 12 months of line section minimum load data (including onsite load but not station service load served by the proposed Generating Facility) are available, can be calculated, can be estimated from existing data, or determined from a power flow model, the aggregate Generating Facility capacity on the line section is less than 100% of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed Generating Facility. If minimum load data is not available, or cannot be calculated, estimated or

determined, the Distribution Provider shall include the reason(s) that it is unable to calculate, estimate or determine minimum load in its supplemental review results notification under GIP Section 6.11.

6.11.1.1 The type of generation used by the proposed Generating Facility will be taken into account when calculating, estimating, or determining circuit or line section minimum load relevant for the application of the screen described in GIP Section 6.11.1. Solar photovoltaic (PV) generation systems with no battery storage use daytime minimum load (i.e. 10 a.m. to 4 p.m. for fixed panel systems and 8 a.m. to 6 p.m. for PV systems utilizing tracking systems), while all other generation uses absolute minimum load.

6.11.1.2 When this screen is being applied to a Generating Facility that serves some station service load, only the net injection into the Distribution Provider's electric system will be considered as part of the aggregate generation.

6.11.1.3 Distribution Provider will not consider as part of the aggregate generation for purposes of this screen generating facility capacity known to be already reflected in the minimum load data.

6.11.2 Voltage and Power Quality Screen: In aggregate with existing generation on the line section: (1) the voltage regulation on the line section can be maintained in compliance with relevant requirements under all system conditions; (2) the voltage fluctuation is within acceptable limits as defined by Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or utility practice similar to IEEE Standard 1453; and (3) the harmonic levels meet IEEE Standard 519 limits.

6.11.3 Safety and Reliability Screen: The location of the proposed Generating Facility and the aggregate generation capacity on the line section do not create impacts to safety or reliability that cannot be adequately addressed without application of a study process. The Distribution Provider shall give due consideration to the following and other factors in determining potential impacts to safety and reliability in applying this screen.

6.11.3.1 Whether the line section has significant minimum loading levels dominated by a small number of customers (e.g., several large commercial customers).

6.11.3.2 Whether the loading along the line section is uniform or even.

6.11.3.3 Whether the proposed Generating Facility is located in close proximity to the substation (i.e., less than 2.5 electrical circuit miles), and whether the line section from the substation to the

Point of Interconnection is a Mainline rated for normal and emergency ampacity.

6.11.3.4 Whether the proposed Generating Facility incorporates a time delay function to prevent reconnection of the generator to the system until system voltage and frequency are within normal limits for a prescribed time.

6.11.3.5 Whether operational flexibility is reduced by the proposed Generating Facility, such that transfer of the line section(s) of the Generating Facility to a neighboring distribution circuit/substation may trigger overloads or voltage issues.

6.11.3.6 Whether the proposed Generating Facility employs equipment or systems certified by a recognized standards organization to address technical issues such as, but not limited to, islanding, reverse power flow, or voltage quality.

6.11.4 Preliminary Storage Charging Analysis: For Generating Facilities with storage which fail the initial review screen set forth in GIP Section 6.5.11, the Distribution Provider will perform a non-binding preliminary analysis of the ability of the Distribution System to accommodate the requested Charging Capacity utilizing available capacity on the existing Distribution System subject to limitations and/or restrictions as may be set forth in the GIA.

6.11.5 If the proposed interconnection passes the supplemental screens in GIP Sections 6.11.1, 6.11.2, and 6.11.3 above, the Interconnection Request shall be approved and the Distribution Provider will provide the Interconnection Customer with an executable interconnection agreement within the timeframes established in GIP Sections 6.11.5.1 and 6.11.5.2 below. If the proposed interconnection fails any of the supplemental review screens and the Interconnection Customer does not withdraw its Interconnection Request, it shall continue to be evaluated under the Independent Study Process consistent with GIP Section 6.11.5.3 below.

6.11.5.1 If the proposed interconnection passes the supplemental screens in GIP Sections 6.11.1, 6.11.2 and 6.11.3 above and does not require construction of facilities by the Distribution Provider on its own system, the GIA shall be provided within fifteen (15) Business Days after the notification of the supplemental review results.

6.11.5.2 If interconnection facilities or minor modifications to the Distribution Provider's system are required for the proposed interconnection to pass the supplemental screens in GIP Sections

6.11.1, 6.11.2 and 6.11.3 above, and the Interconnection Customer agrees to pay for the modifications to the Distribution Provider's electric system, a non-binding good faith estimate for the interconnection facilities and/or minor modifications, shall be provided to the Interconnection Customer within fifteen (15) Business Days following such determination. The Distribution Provider will provide the Interconnection Customer a draft GIA within fifteen (15) Business Days after the Distribution Provider provides the scope, cost and time to complete the required system modifications.

6.11.5.3 If the proposed interconnection would require more than interconnection facilities or minor modifications to the Distribution Provider's system to pass the supplemental screens in GIP Sections 6.11.1, 6.11.2, and 6.11.3 above, the Distribution Provider shall notify the Interconnection Customer, at the same time it notifies the Interconnection Customer with the supplemental review results, that the Interconnection Request shall be evaluated under the Independent Study Process subject to the conditions set forth in GIP Section 5.1.1, provided the Interconnection Customer submits the Interconnection Study Deposit set forth in Section 5.2.1 to the Distribution Provider within fifteen (15) Business Days after the date of notification, unless the Interconnection Customer withdraws its Interconnection Request.

6.11.6 Notwithstanding modifications made pursuant to the supplemental review, Interconnection Customer retains financial responsibility for any Interconnection Facilities, Distribution Upgrades, or Network Upgrades determined by subsequent engineering or study work, such as final engineering and design work, or other future operational or other technical study, such as to identify and determine the cost of any Distribution Provider's Interconnection Facilities required by the Generating Facility, or of short circuit duty-related Reliability Network Upgrades as assigned to the Interconnection Request during the Cluster Study Process as set forth in GIP Section 4, that are attributable to the Interconnection Request. If future engineering or other study work determines that the Interconnection Customer is financially responsible for Interconnection Facilities, Distribution Upgrades, or Network Upgrades identified in these future studies, the GIA will be amended to assign the Interconnection Customer financial responsibility for such facilities and upgrades.

6.12 Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Generating Facility not agreed to in writing by the Distribution Provider and the Interconnection Customer may be deemed a

withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.

6.13 Generator Interconnection Agreement

6.13.1 Tender. The draft GIA shall be in the form of Distribution Provider's FERC-approved form GIA, which is in Appendix 7 to the GIP. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices within thirty (30) Calendar Days.

6.13.2 Negotiation. Distribution Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than ninety (90) Calendar Days after the Distribution Provider tenders the draft GIA to the Interconnection Customer. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft GIA pursuant to GIP Section 6.13.1 and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to GIP Section 11.2. If Interconnection Customer requests termination of the negotiations, but within ninety (90) Calendar Days after the Distribution Provider tenders the draft GIA to the Interconnection Customer, fails to request either the filing of the unexecuted GIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to GIP Section 11.2 within ninety (90) Calendar Days after the Distribution Provider tenders the draft GIA to the Interconnection Customer, it shall be deemed to have withdrawn its Interconnection Request. Distribution Provider shall provide to Interconnection Customer a final GIA within fifteen (15) Business Days after the completion of the negotiation process.

Execution of the GIA and the filing of the GIA at FERC are addressed in GIP Section 9 of the GIP.

Section 7. Under 10 kW Inverter Process

7.1 Applicability of Under 10 kW Inverter Process

The Under 10 kW Inverter Process is available to an Interconnection Customer proposing to interconnect its Generating Facility with the Distribution Provider's Distribution System if the Generating Facility is a certified inverter-based Generating Facility no larger than 10 kW. The form of Interconnection Request and the process for evaluating a request to interconnect such a Generating Facility are set forth in Appendix 10 to the GIP.

7.2 Timing For Submitting Interconnection Requests

An Interconnection Customer may submit an Interconnection Request for processing under the Under 10 kW Inverter Process at any time during the year.

Section 8. Engineering & Procurement ('E&P') Agreement

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

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

Section 9. Generator Interconnection Agreement

9.1 Execution and Filing

Interconnection Customer shall either: (i) execute two originals of the tendered GIA and return them to Distribution Provider; or (ii) request in writing that Distribution Provider file with FERC a GIA in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of the tendered GIA (if it does not conform with a FERC-approved standard form of interconnection agreement) or the request to file an unexecuted GIA, Distribution Provider shall file the GIA with FERC, together with its explanation of any matters as to which Interconnection Customer and Distribution Provider disagree and support for the costs that Distribution Provider

proposes to charge to Interconnection Customer under the GIA. An unexecuted GIA should contain terms and conditions deemed appropriate by Distribution Provider for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted GIA, they may proceed pending FERC action.

9.2 Commencement of Interconnection Activities

If Interconnection Customer executes the final GIA, Distribution Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the GIA, subject to modification by FERC. Upon submission of an unexecuted GIA, Interconnection Customer and Distribution Provider shall promptly comply with the unexecuted GIA, subject to modification by FERC.

9.3 Interconnection Customer To Meet Requirements of the Distribution Provider's Interconnection Handbook

The Interconnection Customer's Interconnection Facilities shall be designed, constructed, operated and maintained in accordance with the Distribution Provider's Interconnection Handbook. In the event of a conflict between the terms of the GIP and the terms of the Distribution Provider's Interconnection Handbook, the terms in the GIP shall govern.

Section 10. Construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades and Funding of Network Upgrades

10.1 Schedule

Distribution Provider and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades.

10.2 Construction of Network Upgrades

With the exception of Local Delivery Network Upgrades and Area Delivery Network Upgrades for Option (B) Generating Facilities that were not allocated TP Deliverability, Network Upgrades will be constructed by the Distribution Provider. Interconnection Customers for Option (B) Generating Facilities that were not allocated TP Deliverability may, at their discretion, select parties other than the Distribution Provider to construct certain Local Delivery Network Upgrades and Area Delivery Network Upgrades required by their Option (B) Generating Facilities that were not allocated TP Deliverability, if such Local Delivery Network Upgrades and Area Delivery Network Upgrades are eligible for construction by parties other than the Distribution Provider pursuant to Section 24.5.2 of the ISO Tariff. Such Local Delivery Network Upgrades and Area Delivery Network Upgrades will be incorporated into the ISO Grid pursuant to the provisions for merchant transmission facilities in ISO Tariff Sections 24.4.6.1 and 36.11. Unless Interconnection Customers for Option (B) Generating

Facilities that were not allocated TP Deliverability elect construction by a party other than the Distribution Provider, the Distribution Provider will be obligated to construct the Local Delivery Network Upgrades and Area Delivery Network Upgrades. This section shall not apply to an Interconnection Customer's right to build Stand Alone Network Upgrades in accordance with the GIA.

10.3 Construction Sequencing

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

10.3.2 Construction of Network Upgrades that are or were an Obligation of an Entity other than Interconnection Customer. The Distribution Provider shall be responsible for constructing any Network Upgrades necessary to support the interconnection of the Generating Facility of an Interconnection Customer with a GIA whenever the Network Upgrades were included in the interconnection Base Case data for a Phase II Interconnection Study on the basis that they were Network Upgrades associated with Generating Facilities of Interconnection Customers that have an executed and effective GIA (or its equivalent predecessor agreement) or unexecuted GIA (or its equivalent predecessor agreement) filed with FERC, and such GIA specifies that the Distribution Provider would finance and construct the Network Upgrades, and either:

- (i) the Network Upgrades will not otherwise be completed because such GIA or equivalent predecessor agreement was subsequently terminated or the Interconnection Request has otherwise been withdrawn; or
- (ii) the Network Upgrades will not otherwise be completed in time to support the Interconnection Customer's In-Service Date because construction has not commenced in accordance with the terms of such GIA (or its equivalent predecessor agreement), and
- (iii) the Distribution Provider, in coordination the ISO, determines that the Network Upgrades remain needed to support the interconnection of the Interconnection Customer's Generating Facility notwithstanding, as applicable, the absence or delay of the

Generating Facility that is contractually, or was previously contractually, associated with the Network Upgrades

Where the Distribution Provider is constructing Area Delivery Network Upgrades for Option (B) Interconnection Customers and either (i) or (ii) above occurs, the Distribution Provider shall continue to construct such Area Delivery Network Upgrades with financing provided from the Interconnection Financial Security of those Option (B) Interconnection Customers' in the same Group Study, with any additional financing requirements to be reapportioned among those remaining Option (B) Interconnection Customers in the same Group Study who still need the Area Delivery Network Upgrades to achieve Full Capacity Deliverability Status or Partial Capacity Deliverability Status. In no case will the Distribution Provider become financially responsible for Area Delivery Network Upgrades required for Option (B) Interconnection Customers.

Further, to the extent the timing of such Network Upgrades was not accounted for in determining a reasonable Commercial Operation Date among the Distribution Provider, ISO, and the Interconnection Customer as part of the Phase II Interconnection Study, the Distribution Provider will use Reasonable Efforts to ensure that the construction of such Network Upgrades can accommodate the Interconnection Customer's proposed Commercial Operation Date. If, despite Reasonable Efforts, it is anticipated that the Network Upgrades cannot be constructed in time to accommodate the Interconnection Customer's proposed Commercial Operation Date, the Interconnection Customer may commit to pay the Distribution Provider any costs associated with expediting construction of the Network Upgrades to meet the original proposed Commercial Operation Date. The expediting costs under this GIP Section 10.3.2 shall be in addition to the Interconnection Customer's cost responsibility assigned under the applicable Interconnection Studies.

10.3.3 Advancing Construction of Distribution Upgrades and Network Upgrades that are Part of an Expansion Plan of the Distribution Provider. An Interconnection Customer with a GIA, in order to maintain its In-Service Date, may request that Distribution Provider advance to the extent necessary the completion of Distribution Upgrades and Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of Distribution Provider or approved ISO Transmission Plan covering the Distribution Provider's service territory, in time to support such In-Service Date. Upon such request, Distribution Provider will use Reasonable Efforts to advance the construction of such Distribution Upgrades and Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Distribution Provider any associated expediting costs. Interconnection Customer shall be entitled to

transmission credits, if any, in accordance with the GIA, for any expediting costs paid for Network Upgrades.

10.4 Initial Funding of Network Upgrades

10.4.1 Initial Funding of Network Upgrades for Interconnection Requests in the Cluster Study Process.

10.4.1.1 For Queue Cluster 4. For Interconnection Requests in Queue Cluster 4 processed under the Cluster Study Process, Reliability and Delivery Network Upgrades shall be funded by the Interconnection Customer(s) either by means of drawing down the Interconnection Financial Security or by the provision of additional capital, at each Interconnection Customer's election, up to a maximum amount no greater than that established by the cost responsibility assigned to each Interconnection Customer(s). The Distribution Provider shall be responsible for funding any capital costs for the Reliability and Delivery Network Upgrades that exceed the total cost responsibility for Reliability and Delivery Network Upgrades assigned to the Interconnection Customer(s). The Distribution Provider shall invoice the Interconnection Customer under Article 12.1 of the GIA up to the maximum amount no greater than that established by the cost responsibility assigned to the Interconnection Customer(s).

10.4.1.2 For Queue Cluster 5 and Subsequent Queue Clusters. For Interconnection Requests in Queue Cluster 5 and subsequent Queue Clusters processed under the Cluster Study Process, Reliability Network Upgrades and Local Delivery Network Upgrades shall be funded by the Interconnection Customer(s) either by means of drawing down the Interconnection Financial Security or by the provision of additional capital, at each Interconnection Customer's election, up to a maximum amount no greater than that established by the cost responsibility assigned to each Interconnection Customer(s). The Distribution Provider shall be responsible for funding any capital costs for the Reliability Network Upgrades and Local Delivery Network Upgrades that exceed the total cost responsibility for Reliability Network Upgrades and Local Delivery Network Upgrades assigned to the Interconnection Customer(s). The Distribution Provider shall invoice the Interconnection Customer under Article 12.1 of the GIA up to the maximum amount no greater than that established by the cost responsibility assigned to the Interconnection Customer(s). Upon the Commercial Operation Date of the Generating Facility, the Interconnection Customer shall be entitled to a repayment, in accordance with the methodology set for in

Article 11.4 of the GIA, for the Interconnection Customer's contribution to the cost of (a) Reliability Network Upgrades up to a maximum of \$60,000 per MW of generating capacity as specified in the GIA, and (b) Local Delivery Network Upgrades, except for Local Delivery Network Upgrades for Option (B) Generating Facilities that were not allocated TP Deliverability, in accordance with the Interconnection Customer's assigned cost responsibility. Option (B) Generating Facilities that were not allocated TP Deliverability will not receive repayment for Local Delivery Network Upgrades.

Where the funding responsibility for Area Delivery Network Upgrades being constructed by the Distribution Provider has been assigned to Option (B) Interconnection Customers, the Distribution Provider shall invoice the Interconnection Customer under Article 12.1 of the GIA up to the maximum amount no greater than that established by the cost responsibility assigned to the Interconnection Customer(s). Option (B) Generating Facilities that were not allocated TP Deliverability will not receive repayment for Area Delivery Network Upgrades.

10.4.2 Initial Funding of Network Upgrades for Interconnection Requests in the Independent Study Process. For Interconnection Requests processed under the Independent Study Process, unless the Distribution Provider elects to fund the full capital for identified Reliability and Delivery Network Upgrades, they shall be funded by the Interconnection Customer either by means of drawing down the Interconnection Financial Security or by the provision of additional capital, at each Interconnection Customer's election.

10.4.3 Initial Funding of Network Upgrades for Interconnection Requests in the Fast Track Process. For Interconnection Requests processed under the Fast Track Process, unless the Distribution Provider elects to fund the full capital for identified Reliability Network Upgrades, they shall be funded by the Interconnection Customer by the provision of additional capital.

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

10.5 Special Provisions for Affected Systems

The Interconnection Customer shall enter into an agreement with the owner of the Affected System, as applicable. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System as well as the repayment by the owner of the Affected System.

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

Section 11. Miscellaneous

11.1 Confidentiality

For the purposes of this GIP Section 11.1, “Party” or “Parties” shall mean the Distribution Provider, Interconnection Customer, ISO, or any combination of the Distribution Provider, Interconnection Customer, or ISO.

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

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

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

11.1.1 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the GIA; or (6) is required, in accordance with GIP Section 11.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the GIA.

Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

- 11.1.2 Release of Confidential Information.** Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, Affected Systems, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this GIP Section 11.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this GIP Section 11.1.
- 11.1.3 Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 11.1.4 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 11.1.5 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory requirements.
- 11.1.6 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of these confidentiality provisions. 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.

11.1.7 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this GIP Section 11.1. Each Party accordingly agrees that the other Party 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 GIP Section 11.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this GIP Section 11.1, 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 GIP Section 11.1.

11.1.8 Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this GIP Section 11.1 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the GIP, 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 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the GIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

11.1.9 Subject to the exception in GIP Section 11.1.8, any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably

deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this GIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other 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.

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

11.1.11 Distribution Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

11.2 Disputes

11.2.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the GIA, the GIP, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be resolved in accordance with the Dispute Resolution Procedures set forth in Section 9 of the Tariff.

11.3 Local Furnishing Bonds

11.3.1 Distribution Providers That Own Facilities Financed by Local Furnishing Bonds. This provision is applicable only to a Distribution Provider that has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this GIA and GIP, Distribution Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this GIA and GIP if the provision of such Distribution Service would jeopardize the tax-exempt status of any local furnishing bond(s)

used to finance Distribution Provider's facilities that would be used in providing such Interconnection Service.

11.3.2 Alternative Procedures for Requesting Interconnection Service. If Distribution Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

11.4 New Distribution Provider

If Distribution Provider transfers control of its Distribution System to a successor distribution provider during the period when an Interconnection Request is pending, the original Distribution Provider shall transfer to the successor distribution provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this GIP shall be paid by or refunded to the Interconnection Customer, as appropriate. The original Distribution Provider shall coordinate with the successor distribution provider to complete any Interconnection Study, as appropriate, that the original Distribution Provider has begun but has not completed. If Distribution Provider has tendered a draft GIA to Interconnection Customer but Interconnection Customer has not either executed the GIA or requested the filing of an unexecuted GIA with FERC, unless otherwise provided, Interconnection Customer must complete negotiations with the successor distribution provider.

APPENDIX 1 to GIP

WHOLESALE DISTRIBUTION ACCESS TARIFF INTERCONNECTION REQUEST FOR A GENERATING FACILITY

Provide two copies of this completed form pursuant to Section 7 of this GIP Appendix 1 below.

1. The undersigned Interconnection Customer submits this request to interconnect its Generating Facility with Distribution Provider's Distribution System pursuant to the following process under Appendix I of the Tariff (check only one):
 - Cluster Study Process
 - Independent Study Process
 - Fast Track Process
 - Other (specify) _____

2. This Interconnection Request is for (check only one):
 - A proposed new Generating Facility.
 - An increase in the generating capacity or a Material Modification of an existing Generating Facility.
 - A change to Full Capacity Deliverability Status for a Generating Facility previously studied as Energy Only Deliverability Status in accordance with Section 4.7 of the GIP (Full Capacity Deliverability Study).

3. Deliverability Study is performed by the ISO. Requested Deliverability Status is for (check only one):
 - Full Capacity Deliverability Status (this option applies to the Cluster Study Process and Independent Study Process only)
 - Partial Capacity Deliverability Status for ____ MW [specify requested MW to be evaluated for Deliverability. This MW amount should be less than the total MW of the Generating Facility) of electrical output (this option applies to the Cluster Study Process and Independent Study Process only)
 - Energy Only Deliverability Status (this option applies to the Cluster Study Process, Independent Study Process, and Fast Track Process)

4. Interconnection Customer provides the following information:
 - a. Address or location, including the county, of the proposed new Generating Facility site (to the extent known) or, in the case of an existing Generating Facility, the name and specific location, including the county, of the existing Generating Facility;

Project Name:

Southern California Edison Company
 FERC Electric Tariff, Second Revised Volume No. 5

Project Location:

Street Address:

City, State:

County:

Zip Code:

GPS Coordinates:

Assessor's Parcel Numbers (if available):

- b. Maximum net megawatt electrical output (as defined by section 2.C. of Attachment A to this appendix) of the proposed new Generating Facility or the amount of net megawatt increase in the generating capacity of an existing Generating Facility;

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

- c. Type of project (i.e., gas turbine, hydro, wind, etc.) and general description of the equipment configuration (if more than one type is chosen, include net MW for each);

___ Cogeneration	_____ MW
___ Reciprocating Engine	_____ MW
___ Biomass	_____ MW
___ Steam Turbine	_____ MW
___ Gas Turbine	_____ MW
___ Wind	_____ MW
___ Hydro	_____ MW
___ Inverter Based: (e.g., Photovoltaic, Fuel Cell)	_____ MW
If Fuel Cell, please describe primary fuel source:	_____
___ Storage (rated discharging power)	_____ MW
Storage type (e.g., Pump-Storage Hydro, Battery (w/type)):	_____
___ Combined Cycle	_____ MW
___ Other (please describe): _____	_____ MW

- d. Proposed In-Service Date, and Other Key Dates (Day/Month/Year) (Dates must be sequential)

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

- e. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person (primary person who will be contacted);

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

f. Point of Interconnection:

Distribution Substation (Name and voltage level): _____, or
 Distribution Feeder: _____, or
 Approximate location of the proposed Point of Interconnection _____
 _____ (i.e., specify distribution
 facility interconnection point name, voltage level, and the location of
 interconnection);

g. Interconnection Customer Data (set forth in Attachment A)

The Interconnection Customer shall provide to the Distribution Provider the technical data called for in Attachment A. Two (2) copies are required.

5. Applicable Interconnection Study Deposit amount as specified in GIP Section 4.2.1 or 4.7.1, as applicable, for the Cluster Study Process or GIP Section 5.2.1 for the Independent Study Process, or \$1,500 as provided in GIP Section 6.2 for the Fast Track Process made payable to Southern California Edison Company. Send check to Distribution Provider along with:
1. A completed Interconnection Request form for processing.
 2. A completed Attachment A (Interconnection Request Generating Facility Data).
6. Evidence of Site Exclusivity as specified in GIP Sections 4.2.1, 5.2.1, or 6.3, as applicable, and name(s), address(es) and contact information of site owner(s). (check one)
- Is attached to this Interconnection Request
- If Interconnection Customer requests processing under the Cluster Study Process or Independent Study Process, then deposit in lieu of Site Exclusivity attached. Site Exclusivity will be provided at a later date in accordance with this GIP.
7. This Interconnection Request shall be submitted to the Distribution Provider as indicated below:

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Southern California Edison Company
Grid Interconnection & Contract Development
P.O. Box 800
2244 Walnut Grove Avenue
Rosemead, CA 91770

Email: grid.interconnections@sce.com
Phone: (626) 302-3688

8. Representative of Interconnection Customer to contact:

[To be completed by Interconnection Customer]

Name:
Title:
Company Name:
Street Address:
City, State:
Zip Code:
Phone Number:
Fax Number:
Email Address:

9. If the Interconnection Customer also requests Distribution Service, additional information is required in accordance with Section 15.2 of the Tariff.

10. This Interconnection Request is submitted by:

Legal name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

**Attachment A to
Interconnection Request****WHOLESALE DISTRIBUTION ACCESS TARIFF
GENERATING FACILITY DATA**

Provide two copies of this completed form pursuant to Section 7 of Interconnection Request.

Each Interconnection Customer will complete Sections 1 and 2 of this Attachment A. Each Interconnection Customer will complete the applicable data in Sections 3 through 6 of this Attachment A based on the type of generating facility(ies) requesting interconnection. (Section 3 for synchronous generators, Section 4 for induction generators, Section 5 for wind turbine generators, and Section 6 for inverter-based generators).

Each Interconnection Customer will complete Sections 7 through 10, as applicable.

At any time, Distribution Provider may require Interconnection Customer to provide additional technical data, or additional documentation supporting the technical data provided, as deemed necessary by the Distribution Provider to perform Interconnection Studies, other studies, or evaluations as set forth under the GIP.

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

- A. Site drawing showing generator location and Point of Interconnection with the Distribution Provider's Distribution System.
- 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. This one-line drawing must be signed and stamped by a licensed Professional Engineer if the Generating Facility is larger than 50 kW.

2. Generating Facility General Information:

- A. Total Generating Facility rated output (MW): _____
- A1. Maximum Generating Facility operating capacity (MW): _____
(applicable if the Generating Facility output will be limited to less than rated capacity)
- B. Generating Facility auxiliary load (MW): _____
- C. Net Generating Facility capacity at generator/inverter terminals (MW):
_____ (A-B) or (A1-B)
- D. Collector system losses (MW): _____ (insert "n/a" if not applicable or negligible)
- E. Main step-up transformer losses (MW): _____ (insert "n/a" if not applicable or negligible)
- F. Net Generating Facility capacity at high-side of main step-up transformer (MW):
_____ (C-D-E)
- G. Gen-tie loss to Point of Interconnection (MW): _____ (insert "n/a" if

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-
- not applicable or negligible)
- H. Net Generating Facility capacity at Point of Interconnection (MW):
 _____ (F-G)
- H1. Maximum export capacity at Point of Interconnection (MW): _____
 (applicable if the requested export capacity at the Point of Interconnection is less than the Net Generating Facility capacity at the Point of Interconnection. If so, please indicate the reason (e.g., serving host load, etc.)) _____
- I. Standby Load when Generating Facility is off-line (MW): _____
- J. Number of Generating Units: _____
 (Please repeat the following items for each generator)
- K. Individual generator rated output (MW for each unit): _____
- L. Manufacturer of the Generating Units: _____
- M. Year Manufactured: _____
- N. Nominal Terminal Voltage (kV): _____
- O. Rated Power Factor (%): _____
- P. Type (induction, synchronous, D.C. with inverter): _____
- Q. Phase (3 phase or single phase): _____
- R. Connection (Delta, Grounded WYE, Ungrounded WYE, impedance grounded):

- S. Generator Voltage Regulation Range (+/- %): _____
- T. Generator Power Factor Regulation Range: _____
- U. For combined cycle plants, specify the plant net output capacity (MW) for an outage of the steam turbine or an outage of a single combustion turbine _____

3. Synchronous Generator –Information:

3A Generator Information:

(Please repeat the following for each generator)

- A. Rated Generator speed (rpm): _____
- B. Rated MVA: _____
- C. Rated Generator Power Factor: _____
- D. Generator Efficiency at Rated Load (%): _____
- E. Moment of Inertia (including prime mover): _____
- F. Inertia Time Constant (on machine base) H: _____ sec or MJ/MVA
- G. SCR (Short-Circuit Ratio - the ratio of the field current required for rated open-circuit voltage to the field current required for rated short-circuit current): _____
- H. Please attach generator reactive capability curves.
- I. Rated Hydrogen Cooling Pressure in psig (Steam Units only):

- J. Please attach a plot of generator terminal voltage versus field current that shows the air gap line, the open-circuit saturation curve, and the saturation

curve at full load and rated power factor.

3B Excitation System Information:

(Please repeat the following for each generator)

- A. Indicate the Manufacturer _____ and Type _____ of excitation system used for the generator. For exciter type, please choose from 1 to 9 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).
 - (9) Other (specify): _____
- B. Attach a copy of the block diagram of the excitation system from its instruction manual. The diagram should show the input, output, and all feedback loops of the excitation system.
- C. Excitation system response ratio (ASA): _____
- D. Full load rated exciter output voltage: _____
- E. Maximum exciter output voltage (ceiling voltage): _____
- F. Other comments regarding the excitation system? _____
-

3C Power System Stabilizer ("PSS") Information:

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

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

3D Turbine-Governor Information:

(Please repeat the following for each generator model.)

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

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

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

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

3E Short Circuit Duty Information:

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

- Xd – Direct Axis Synchronous Reactance: _____ p.u.
- X'd – Direct Axis Transient Reactance: _____ p.u.
- X''d – Direct Axis Subtransient Reactance: _____ p.u.
- X2 – Negative Sequence Reactance: _____ p.u.
- X0 – Zero Sequence Reactance: _____ p.u.

Generator Grounding (select one for each model):

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

4. Induction Generator Information:

(Please repeat the following for each generator)

- A. Motoring Power (kW): _____
- B. I²t or K (Heating Time Constant): _____
- C. Rotor Resistance, R_r: _____
- D. Stator Resistance, R_s: _____
- E. Stator Reactance, X_s: _____
- F. Rotor Reactance, X_r: _____
- G. Magnetizing Reactance, X_m: _____
- H. Short Circuit Reactance, X_d'': _____

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- I. Exciting Current: _____
- J. Temperature Rise: _____
- K. Frame Size: _____
- L. Design Letter: _____
- M. Reactive Power Required In Vars (No Load): _____
- N. Reactive Power Required In Vars (Full Load): _____
- O. Total Rotating Inertia, H: _____ Per Unit on kVA Base

5. Wind Turbine Generator (WTG) Information:

(Proposed projects may include one or more WTG types. Please repeat the following for each type of WTG).

- A. Number of generators to be interconnected pursuant to this Interconnection Request: _____
- B. Average Site Elevation: _____ Single Phase _____ Three Phase _____
- C. Field Volts: _____
- D. Field Amperes: _____
- E. Motoring Power (MW): _____
- F. Neutral Grounding Resistor (If Applicable): _____
- G. I_2^2t or K (Heating Time Constant): _____
- H. Rotor Resistance: _____
- I. Stator Resistance: _____
- J. Stator Reactance: _____
- K. Rotor Reactance: _____
- L. Magnetizing Reactance: _____
- M. Short Circuit Reactance: _____
- N. Exciting Current: _____
- O. Temperature Rise: _____
- P. Frame Size: _____
- Q. Design Letter: _____
- R. Reactive Power Required In Vars (No Load): _____
- S. Reactive Power Required In Vars (Full Load): _____
- T. Total Rotating Inertia, H: _____ Per Unit on 100 MVA Base

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

Distribution Provider may require testing verification of voltage and harmonic performance during commissioning test of WTG based generation projects.

6. Inverter Based Generation Systems Information:

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(Proposed inverter based generation projects may include one or more types of inverters. Please repeat the following for each type of inverter).

- A. Inverter Manufacturer and Model: _____
- B. Number of Inverters: _____
- C. Nameplate Rating (AC, each inverter): _____/_____ kW
- D. Nameplate Voltage Rating (AC): _____ kV
- E. Maximum AC line current: _____ Amps
- F. Nameplate Power Factor Rating (AC): _____
- G. Please attach capability curve describing reactive power or power factor range from no output to full rated output
- H. Inverter control mode (e.g. voltage, power factor, reactive power): _____
- I. Short Circuit Characteristics: Applicant to provide technical data related to the short circuit characteristics of proposed inverter based generation systems. For example, the applicant can provide a sinusoidal waveform test data showing faulted condition at the AC side of the inverter for a three phase and single-line-to-ground fault.
- J. Harmonics Characteristics:
 - (1) Inverter switching frequency: _____
 - (2) Harmonic characteristics for each unit up to switching frequency: _____
 - (3) Harmonic characteristics for aggregate generation facility: _____
- K. Inverter disconnection characteristics: Applicant to provide voltage sinusoidal waveform test data which shows the voltage characteristics during disconnection of inverter system from distribution system at 100% and at 50% of rated output.
- L. Provide documentation demonstrating compliance with the Smart Inverter requirements specified in Section 3.13 of the GIP.

Distribution Provider may require testing verification of voltage and harmonic performance during commissioning test of the inverter based generation systems.

7. Step-Up Transformer Data:

For each step-up transformer (e.g. main step-up transformers, padmount transformers), fill out the data form provided in Table 1.

8. Interconnection Facilities Line Data:

For transmission lines that are to be planned by the generation developer, please provide the following information:

Nominal Voltage: _____ kV
 Line Length (miles): _____
 Line termination Points: _____

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Conductor Type: _____ Size: _____
 If bundled. Number per phase: _____, Bundle spacing: _____ in.
 Phase Configuration. Vertical: _____, Horizontal: _____
 Phase Spacing (ft): A-B: _____, B-C: _____, C-A: _____
 Distance of lowest conductor to Ground at full load and 40°C: _____ ft
 Ground Wire Type: _____ Size: _____ Distance to Ground: _____ ft
 Attach Tower Configuration Diagram
 Summer line ratings in amperes (normal and emergency) _____
 Positive Sequence Resistance (R): _____ p.u.** (for entire line length)
 Positive Sequence Reactance: (X): _____ p.u.** (for entire line length)
 Zero Sequence Resistance (R0): _____ p.u.** (for entire line length)
 Zero Sequence Reactance: (X0): _____ p.u.** (for entire line length)
 Line Charging (B/2): _____ p.u.**
 ** On 100-MVA and nominal line voltage (kV) Base

9. For Wind/Photovoltaic Plants, provide Collector System Equivalence Impedance Data (if applicable):

Provide values for each equivalence collector circuit at all voltage levels.

Nominal Voltage: _____ kV
 Summer line ratings in amperes (normal and emergency): _____
 Positive Sequence Resistance (R): _____ p.u.** (for entire line length of each collector circuit)
 Positive Sequence Reactance: (X): _____ p.u.** (for entire line length of each collector circuit)
 Zero Sequence Resistance (R0): _____ p.u.** (for entire line length of each collector circuit)
 Zero Sequence Reactance: (X0): _____ p.u.** (for entire line length of each collector circuit)
 Line Charging (B/2): _____ p.u.**

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

10. Plant-Level Reactive Power Compensation Data:

Provide the following information for plant-level reactive power compensation, if applicable:

- A. Number of individual shunt capacitor banks: _____
- B. Individual shunt capacitor bank rated voltage (kV): _____
- C. Individual shunt capacitor bank size (kVAR at rated voltage): _____
- D. Planned dynamic reactive control devices (SVC, STATCOM): _____
- E. Control range: _____ kVAR (lead) _____ kVAR (lag)
- F. Control mode (e.g. voltage, power factor, reactive power): _____
- G. Please provide the overall plant reactive power control strategy

11. Storage System Information:

Description of the intended use of the storage system (e.g., export to the grid, peak shaving, load shifting, etc.): _____

Provide the following information for each type of storage device:

- A. Manufacturer and model: _____
- B. Source Functions
- (1) Total storage capability: _____ MWh
 - (2) Rated storage discharging power: _____ MW
 - (3) Maximum storage discharging power: _____ MW
If the maximum storage discharging power is less than the rated storage discharging power, specify the device(s) used to limit the discharge (e.g., inverters, storage control, etc.): _____
 - (4) Discharge duration under rated power: _____ Hours
 - (5) Discharge duration under maximum power: _____ Hours
- C. Charging Functions
- (1) Rated storage charging power: _____ MW
 - (2) Maximum storage charging power: _____ MW
If the maximum storage charging power is less than the rated storage charging power, specify the device(s) used to limit the charging (e.g., inverters, storage control, etc.): _____
 - (3) Charge duration under rated power: _____ Hours
 - (4) Charge duration under maximum power: _____ Hours
 - (5) Will the Distribution System be used to charge the storage device (Yes/No): _____
If No, specify the device(s) used to prevent charging from the Distribution System (e.g., inverters, storage control, etc.): _____

12. Load Flow and Dynamic Models:

The WECC Data Preparation Manual for Power Flow Base Cases and Dynamic Stability Data has established power flow and dynamic modeling requirements for generation projects in WECC base cases. In general, if the aggregate sum of generation on a bus exceeds 10 MVA, it should not be netted. Furthermore, the total netted generation in an area should not exceed five percent of the area's total generation. Based on current WECC modeling requirements, the following information will be required for all generation projects whose net capacity is greater than 10 MVA. The following information may also be required for generation projects less than 10 MVA on a case-by-case basis, based on the amount of generation in the area of the requested Point of Interconnection.

- A. Provide load flow model for the generating plant and its interconnection facilities in GE PSLF *.epc format, including new buses, generators, transformers,

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interconnection facilities. An equivalent model is required for the plant with generation collector systems. This data should reflect the technical data provided in this Attachment A.

- B. For each generator, governor, exciter, power system stabilizer, WTG, or inverter based generator, select the appropriate dynamic models from the General Electric PSLF Program Manual and provide the required input data. Include any user written *.p EPCL files to simulate inverter based plants' dynamic responses (typically needed for inverter based PV/wind plants). Provide a completed *.dyd file that contains the information specified in this section.

The GE PSLF manual is available upon request from GE. There are links within the GE PSLF User's Manual to detailed descriptions of specific models, a definition of each parameter, a list of the output channels, explanatory notes, and a control system block diagram. In addition, GE PSLF modeling information and various modeling guidelines documents have been prepared by the WECC Modeling and Validation Work Group. This information is available on the WECC website (www.wecc.biz).

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

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TABLE 1

TRANSFORMER DATA
 (Provide for each level of transformation)

UNIT* _____

NUMBER OF TRANSFORMERS _____ PHASE _____

RATING	H Winding	X Winding	Y Winding
Rated MVA	_____	_____	_____
Connection (Delta, Wye, Gnd.)	_____	_____	_____
Cooling Type (OA,OA/FA, etc) :	_____	_____	_____
Temperature Rise Rating	_____	_____	_____
Rated Voltage	_____	_____	_____
BIL	_____	_____	_____
Available Taps (% of rating)	_____	_____	_____
Load Tap Changer? (Y or N)	_____	_____	_____
Tap Settings	_____	_____	_____
IMPEDANCE	H-X	H-Y	X-Y
Percent	_____	_____	_____
MVA Base	_____	_____	_____
Tested Taps	_____	_____	_____
WINDING RESISTANCE	H	X	Y
Ohms	_____	_____	_____

CURRENT TRANSFORMER RATIOS

H _____ X _____ Y _____ N _____

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

Supply copy of nameplate and manufacturer's test report when available.

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* For Generating Facilities with multiple step-up transformers, identify the transformer datasheet unit number with that of the single line.

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APPENDIX 3 to GIP

GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT For the Cluster Study Process

THIS GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT (“AGREEMENT”) is made and entered into _____ by and between _____, a _____ organized and existing under the laws of the State of _____, (“Interconnection Customer”) and _____ a _____ existing under the laws of the State of _____, (“Distribution Provider”). Interconnection Customer and Distribution Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

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

WHEREAS, Interconnection Customer desires to interconnect the Generating Facility with the Distribution System pursuant to the Cluster Study Process; and

WHEREAS, the Interconnection Customer has requested Distribution Provider to perform Interconnection Studies to assess the system impact of interconnecting the Generating Facility to the Distribution System, and any Affected Systems and to specify and estimate the cost of the equipment, engineering, procurement and construction work needed on the Distribution Provider’s electric system to physically and electrically connect the Generating Facility to the Distribution Provider’s Distribution System in accordance with Good Utility Practice;

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 Distribution Provider's FERC approved GIP.
- 2.0 Interconnection Customer elects and Distribution Provider shall cause to be performed Interconnection Studies consistent with Section 4 of the GIP.
- 3.0 The scope of the Interconnection Studies shall be subject to the assumptions set forth in Attachments A and B to this Agreement.

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- 4.0 The Interconnection Studies will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting, subject to any modifications in accordance with Section 4.5.7.2 of the GIP and modifications to the proposed Commercial Operation Date of the Generating Facility permitted by the GIP. Distribution Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Studies. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the Interconnection Studies may be modified as specified in the GIP.
- 5.0 The Interconnection Study report for each Interconnection Study shall provide the information specified in the GIP.
- 6.0 Interconnection Customer shall provide Interconnection Financial Security in accordance with GIP Section 4.8.2 on or before ninety (90) Calendar Days after issuance of the final Phase I Interconnection Study report.
- 7.0 Upon completion of the Interconnection Studies, Distribution Provider shall charge and Interconnection Customer shall pay its pro rata share of the actual costs of the Interconnection Study pursuant to Section 3.3.3.4 of the GIP.
- 8.0 The Distribution Provider may provide copies of the Interconnection Studies results to the ISO, an Affected System Operator and the Western Electricity Coordinating Council. Requests for review and input from any Affected System Operators or the Western Electricity Coordinating Council may arrive at any time prior to interconnection.
- 9.0 Substantial portions of technical data and assumptions used to perform the Interconnection Studies, such as system conditions, existing and planned generation, and unit modeling, may change after the Distribution Provider provides the Interconnection Studies results to the Interconnection Customer. Interconnection Studies results will reflect available data at the time the Distribution Provider provides the Interconnection Study reports to the Interconnection Customer. The Distribution Provider shall not be responsible for any additional costs for Distribution Provider's Interconnection Facilities, Distribution Upgrades, Reliability Network Upgrades, Area Delivery Network Upgrades and Local Delivery Network Upgrades, 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.
- 10.0 The Distribution Provider shall maintain records and accounts of all costs incurred in performing the Interconnection Studies in sufficient detail to allow verification of all costs incurred, including associated overheads. The

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Interconnection Customer shall have the right, upon reasonable notice, within a reasonable time at the Distribution Provider's offices and at its own expense, to audit the Distribution Provider's records as necessary and as appropriate in order to verify costs incurred by the Distribution Provider. Any audit requested by the Interconnection Customer shall be completed, and written notice of any audit dispute provided to the Distribution Provider, within one hundred eighty (180) Calendar Days following receipt by the Interconnection Customer of the Distribution Provider's notification of the final costs of the Interconnection Studies.

- 11.0 In accordance with Section 3.11 of the GIP, the Interconnection Customer may withdraw its Interconnection Request at any time by written notice to the Distribution Provider. Upon receipt of such notice, this Agreement shall terminate, subject to the requirements of Sections 4.2.1 and 11.1 of the GIP.
- 12.0 This Agreement shall become effective upon the date the fully executed Agreement is received by the Distribution Provider. If the Distribution Provider does not receive the fully executed Agreement pursuant to Section 4.4 of the GIP, then the Interconnection Request will be deemed withdrawn upon the Interconnection Customer's receipt of written notice by the Distribution Provider pursuant to Section 3.11 of the GIP.
- 13.0 Miscellaneous.
- 13.1 Dispute Resolution.
- 13.1.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement 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 the GIP.
- 13.1.2 External Arbitration Procedures. Any arbitration initiated under this Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single

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- 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 Section 13.1.2, the terms of this Section 13.1.2 shall prevail.
- 13.1.3 **Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, Distribution Upgrades, or Network Upgrades.
- 13.1.4 **Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.
- 13.2 **Confidentiality.** Confidential Information shall be treated in accordance with Section 11.1 of the GIP.
- 13.3 **Binding Effect.** This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

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- 13.4 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 13.5 Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any applicable laws and regulations means such applicable laws and regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Agreement or such Appendix to this Agreement, or such Section of the GIP or such Appendix to the GIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section, or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 13.6 Entire Agreement. This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.
- 13.7 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 13.8 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

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

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

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

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

[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____ By: _____
Printed Name: _____ Printed Name: _____
Title: _____ Title: _____
Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____
Printed Name: _____
Title: _____
Date: _____

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**Attachment A
Cluster Study Process
Generator Interconnection
Study Process Agreement**

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

The Phase I Interconnection Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on _____, subject to any modifications in accordance with Section 4.5.7.2 of the GIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

Deliverability status requested:

- _____ Full Capacity Deliverability Status
- _____ Partial Capacity Deliverability Status for _____ MW of Generating Facility capacity
- _____ Energy-Only Deliverability Status

NOTICE: YOUR CHOICE OF DELIVERABILITY STATUS CAN AFFECT YOUR ABILITY TO QUALIFY YOUR GENERATING FACILITY AS A RESOURCE ADEQUACY RESOURCE OR AFFECT YOUR TRANSACTIONS FOR SALE OF POWER. PLEASE GIVE CONSIDERATION TO YOUR CHOICE OF DELIVERABILITY STATUS.

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**Attachment B to
Cluster Study Process
Generator Interconnection
Study Process Agreement**

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

Generating Facility size (MW):_____

Provide location plan and one-line diagram of the plant and station facilities.

One set of metering is required for each generation connection to the new bus or existing
Distribution Provider station or distribution line. Number of generation connections:

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

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

Will an alternate source of auxiliary power be available during CT/PT maintenance?

___ Yes ___ No

Will a transfer bus on the generation side of the metering require that each meter set be designed
for the total plant generation? ___ Yes ___ No (Please indicate on the one line
diagram).

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

What protocol does the control system or PLC use?

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

Physical dimensions of the proposed interconnection
station:_____

Bus length from generation to interconnection station:

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Line length from interconnection station to Distribution Provider's transmission line.

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

Number of third party easements required for transmission lines*:

* To be completed in coordination with Distribution Provider.

Is the Generating Facility in the Distribution Provider's service area?

____ Yes ____ No Local service provider for auxiliary and other power: _____

Please provide proposed schedule dates:

Environmental survey start: Date _____

Environmental impact report submittal: Date _____

Procurement of project equipment: Date _____

Begin Construction Date: _____

In-Service Date Date: _____

Trial Operation Date: _____

Commercial Operation Date: _____

Level of ISO Grid Deliverability: Choose one of the following:

_____ Energy-Only Deliverability Status

_____ Full Capacity Deliverability Status

_____ Partial Capacity Deliverability Status for _____ MW of Generating Facility capacity

TP Deliverability: Choose one of the following:

_____ Option (A), which means that the Generating Facility requires TP Deliverability to be able to continue to commercial operation.

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_____ Option (B), which means that the Interconnection Customer will continue to commercial operation without an allocation of TP Deliverability.

Please provide any additional modification request pursuant to GIP Section 4.5.7.2.2:

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APPENDIX 4 to GIP

INDEPENDENT STUDY PROCESS STUDY AGREEMENT For the Independent Study Process

THIS INDEPENDENT STUDY PROCESS STUDY AGREEMENT
("AGREEMENT") is made and entered into _____ by and
between _____, a _____ organized and existing under
the laws of the State of _____, ("Interconnection Customer") and
_____ a _____ existing under the laws of the State
of _____, ("Distribution Provider"). Interconnection Customer and Distribution Provider
each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

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

WHEREAS, Interconnection Customer desires to interconnect the Generating Facility
with the Distribution System pursuant to the Independent Study Process; and

WHEREAS, the Interconnection Customer has requested Distribution Provider to
perform Interconnection Studies to assess the system impact of interconnecting the Generating
Facility to the Distribution System, and any Affected Systems and to specify and estimate the
cost of the equipment, engineering, procurement and construction work needed on the
Distribution Provider's electric system to physically and electrically connect the Generating
Facility to the Distribution Provider's Distribution System in accordance with Good Utility
Practice;

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 Distribution Provider's FERC approved GIP.
- 2.0 Interconnection Customer elects and Distribution Provider shall cause to be
performed Interconnection Studies consistent with Section 5 of the GIP.
- 3.0 The scope of the Interconnection Studies shall be subject to the assumptions set
forth in Attachments A and B to this Agreement.

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- 4.0 The Interconnection Studies will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting, subject to any modifications in accordance with Section 5.8.1.6 of the GIP. Distribution Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Studies. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the Interconnection Studies may be modified as specified in the GIP.
- 5.0 The Interconnection Study report for each Interconnection Study shall provide the information specified in the GIP.
- 6.0 Interconnection Customer shall provide Interconnection Financial Security in accordance with GIP Section 5.9.2 on or before sixty (60) Calendar Days after issuance of the final Interconnection System Impact Study report.
- 7.0 Upon completion of the Interconnection Studies, Distribution Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies pursuant to Section 3.3.3.4 of the GIP.
- 8.0 The Distribution Provider may provide copies of the Interconnection Studies results to the ISO, an Affected System Operator and the Western Electricity Coordinating Council. Requests for review and input from any Affected System Operators or the Western Electricity Coordinating Council may arrive at any time prior to interconnection.
- 9.0 Substantial portions of technical data and assumptions used to perform the Interconnection Studies, such as system conditions, existing and planned generation, and unit modeling, may change after the Distribution Provider provides the Interconnection Studies results to the Interconnection Customer. Interconnection Studies results will reflect available data at the time the Distribution Provider provides the Interconnection Study reports to the Interconnection Customer. The Distribution Provider shall not be responsible for any additional costs for Distribution Provider's Interconnection Facilities, Distribution Upgrades, Reliability Network Upgrades, Area Delivery Network Upgrades and Local Delivery Network Upgrades, 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.
- 10.0 The Distribution Provider shall maintain records and accounts of all costs incurred in performing the Interconnection Studies 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

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reasonable time at the Distribution Provider's offices and at its own expense, to audit the Distribution Provider's records as necessary and as appropriate in order to verify costs incurred by the Distribution Provider. Any audit requested by the Interconnection Customer shall be completed, and written notice of any audit dispute provided to the Distribution Provider, within one hundred eighty (180) Calendar Days following receipt by the Interconnection Customer of the Distribution Provider's notification of the final costs of the Interconnection Studies.

- 11.0 In accordance with Section 3.11 of the GIP, the Interconnection Customer may withdraw its Interconnection Request at any time by written notice to the Distribution Provider. Upon receipt of such notice, this Agreement shall terminate, subject to the requirements of Section 5.2.1.1 and 11.1 of the GIP.
- 12.0 This Agreement shall become effective upon the date the fully executed Agreement is received by the Distribution Provider. If the Distribution Provider does not receive the fully executed Agreement pursuant to Section 5.7 of the GIP, then the Interconnection Request will be deemed withdrawn upon the Interconnection Customer's receipt of written notice by the Distribution Provider pursuant to Section 3.11 of the GIP.
- 13.0 Miscellaneous.
- 13.1 Dispute Resolution.
- 13.1.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement 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 the GIP.
- 13.1.2 External Arbitration Procedures. Any arbitration initiated under this Agreement 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

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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 Section 13.1.2, the terms of this Section 13.1.2 shall prevail.

- 13.1.3 **Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, Distribution Upgrades, or Network Upgrades.
- 13.1.4 **Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.
- 13.2 **Confidentiality.** Confidential Information shall be treated in accordance with Section 11.1 of the GIP.
- 13.3 **Binding Effect.** This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

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- 13.4 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 13.5 Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any applicable laws and regulations means such applicable laws and regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Agreement or such Appendix to this Agreement, or such Section of the GIP or such Appendix to the GIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article Section, or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 13.6 Entire Agreement. This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.
- 13.7 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 13.8 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

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

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

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

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

[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____ By: _____
Printed Name: _____ Printed Name: _____
Title: _____ Title: _____
Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____
Printed Name: _____
Title: _____
Date: _____

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**Attachment A
Independent Study Process
Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION SYSTEM IMPACT STUDY**

The Interconnection System Impact Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on _____, subject to any modifications in accordance with Section 5.8.1.6 of the GIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

Deliverability status requested:

_____ Full Capacity Deliverability Status

_____ Partial Capacity Deliverability Status for _____ MW of Generating Facility capacity

_____ Energy-Only Deliverability Status

NOTICE: YOUR CHOICE OF DELIVERABILITY STATUS CAN AFFECT YOUR ABILITY TO QUALIFY YOUR GENERATING FACILITY AS A RESOURCE ADEQUACY RESOURCE OR AFFECT YOUR TRANSACTIONS FOR SALE OF POWER. PLEASE GIVE CONSIDERATION TO YOUR CHOICE OF DELIVERABILITY STATUS.

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**Attachment B
Independent Study Process
Study Agreement**

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

Generating Facility size (MW): _____

Provide location plan and one-line diagram of the plant and station facilities.

One set of metering is required for each generation connection to the new bus or existing Distribution Provider station or distribution line. Number of generation connections:

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

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

Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes No (Please indicate on the one line diagram).

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

What protocol does the control system or PLC use?

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

Physical dimensions of the proposed interconnection station:

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Bus length from generation to interconnection station:

Line length from interconnection station to Distribution Provider's transmission line.

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

Number of third party easements required for transmission lines*:

* To be completed in coordination with Distribution Provider.

Is the Generating Facility in the Distribution Provider's service area?

____ Yes ____ No Local service provider for auxiliary and other power:

Please provide proposed schedule dates:

Environmental survey start: Date _____

Environmental impact report submittal: Date _____

Procurement of project equipment: Date _____

Begin Construction Date: _____

In-Service Date Date: _____

Trial Operation Date: _____

Commercial Operation Date: _____

Level of ISO Grid Deliverability: Choose one of the following:

_____ Energy-Only Deliverability Status

_____ Full Capacity Deliverability Status

_____ Partial Capacity Deliverability Status for _____ MW of Generating Facility capacity

TP Deliverability: Choose one of the following:

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_____ Option (A), which means that the Generating Facility requires TP Deliverability to be able to continue to commercial operation.

_____ Option (B), which means that the Interconnection Customer will continue to commercial operation without an allocation of TP Deliverability.

Please provide any additional modification request pursuant to GIP Section 5.8.1.6:

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APPENDIX 5.2 to GIP

**GENERATOR INTERCONNECTION AGREEMENT (GIA)
FOR A GENERATING FACILITY
INTERCONNECTING UNDER THE CLUSTER STUDY PROCESS**

(Applicable for Queue Cluster 5 and Subsequent Queue Clusters)

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GENERATOR INTERCONNECTION AGREEMENT

THIS GENERATOR INTERCONNECTION AGREEMENT (“GIA” or “Agreement”) is made and entered into _____, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ (“Interconnection Customer” with a Generating Facility), and Southern California Edison Company, a corporation organized and existing under the laws of the State of California (“Distribution Provider and/or Distribution Owner”). Interconnection Customer and Distribution Provider each may be referred to as a “Party” or collectively as the “Parties.”

Recitals

WHEREAS, Distribution Provider operates the Distribution System; and

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

WHEREAS, Interconnection Customer and Distribution Provider have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the Distribution System;

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

When used in this Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Tariff.

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 Distribution Provider’s Distribution System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

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

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

Annual Tax Security Reassessment shall mean the annual reassessment of the current tax liability in accordance with the directives of FERC Orders 2003-A and 2003-B associated with Article 5.17.4 of the GIA which will commence the first year after Interconnection Customer's in-service date.

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

Applicable Reliability Council shall mean the reliability council applicable to the Distribution System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Distribution System to which the Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.

Area Deliverability Constraint shall mean a Transmission System operating limit that either (a) would constrain the deliverability of a substantial number of generators if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to additional generating facilities in one or more specified geographic or electrical areas of the ISO Grid in a total amount that is greater than the TP Deliverability for those areas; (b) constrains a quantity of generation in a local area of the grid that is larger than the generation amount identified in the applicable transmission planning process portfolio for the entire portfolio area; or (c) constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

Area Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve an Area Deliverability Constraint.

Area Delivery Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Area Delivery Network Upgrades constructed and owned by the Distribution Provider. The Area Delivery Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

Base Case shall mean data including, but not limited to, base power flow, short circuit, and stability data bases, underlying load, generation, and transmission facility assumptions, contingency lists, including relevant special protection systems, and transmission diagrams used to perform Phase I Interconnection and Phase II Interconnection Studies. The Base Case may

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include Critical Energy Infrastructure Information (as that term is defined by FERC). The Base Case shall include transmission facilities as approved by the Distribution Provider or ISO, as applicable, and Distribution Upgrades and Network Upgrades associated with generating facilities in (iv) below and generating facilities that (i) are directly interconnected to the Distribution System or ISO Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to the Distribution System or an Affected System; or (iv) are not interconnected to the Distribution System or ISO Grid, but are subject to a fully executed generator interconnection agreement (or its equivalent predecessor agreement) or for which an unexecuted generator interconnection agreement (or its equivalent predecessor agreement) has been requested to be filed with FERC.

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

Breaching Party shall mean a Party that is in Breach of the GIA.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

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

Charging Capacity shall mean the capacity provided under the GIA to meet the Charging Demand of a Generating Facility that includes storage, subject to available capacity on the Distribution System and any operating conditions and/or limitations as may be set forth in Appendix C of the GIA.

Charging Demand shall mean the flow of wholesale electric energy from the Distribution System solely to charge the storage component of the Generating Facility from the Distribution System for later redelivery of such energy, net of Generating Facility losses, to the Distribution System. Charging Demand does not include the delivery of energy for purposes that are subject to the Distribution Provider's retail tariff.

Cluster Application Window shall mean a period of time specified by the Distribution Provider in which Interconnection Requests will be accepted for processing under the Cluster Study Process as set forth in Section 4.1 of the GIP.

Cluster Study Process shall mean the interconnection study process set forth in GIP Section 4.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale or storing electricity for later resale, excluding electricity generated or stored during Trial Operation.

Commercial Operation Date of an Electric Generating Unit shall mean the date on which an Electric Generating Unit at a Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the GIA.

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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.

Construction Activities shall mean actions by the Distribution Provider that result in irrevocable financial commitments for the purchase of major electrical equipment or land for Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer that occur after receipt of the appropriate governmental approvals needed for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

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.

Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities shall have the meaning assigned to it in Attachment J of the Tariff. The currently effective Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities is as provided in Attachment J of the Tariff.

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

Delivery Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, other than Reliability Network Upgrades, identified in the Interconnection Studies to relieve constraints on the ISO Grid. Delivery Network Upgrades may be further classified as Local Delivery Network Upgrades or Area Delivery Network Upgrades.

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

Distribution Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the GIA to the extent necessary.

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

Distribution Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Distribution Provider from the Point of Change

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of Ownership to the Point of Interconnection as identified in Appendix A to the GIA, including any modifications, additions or upgrades to such facilities and equipment. Distribution Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Distribution Service shall mean the wholesale distribution service provided under the Tariff.

Distribution System shall mean those non-ISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide Distribution Service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

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

Distribution Upgrades Charge shall mean the monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Distribution Upgrades, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Distribution Upgrades Cost. The Distribution Upgrades Charge is provided in Section 5 of Appendix A to the GIA.

Distribution Upgrades Completion Date shall mean the date upon which the construction of the Distribution Upgrades is complete and such facilities are successfully tested and ready for service.

Distribution Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Upgrades. The Distribution Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

Effective Date shall mean the date on which the GIA 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 or storage device 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

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of a Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Distribution Provider's Distribution System, Distribution Provider's Interconnection Facilities or the electric systems of others to which the Distribution Provider's Distribution System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the GIA to possess black start capability.

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

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

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

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

Full Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that could be as large as its Qualifying Capacity (as defined in the ISO Tariff) and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO.

Generating Facility shall mean Interconnection Customer's Electric Generating Unit(s) used for the production and/or storage for later injection of electricity identified in the 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 Electric Generating Units.

Generator Interconnection Agreement (GIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility processed pursuant to the Cluster Study Process of the Generator Interconnection Procedures, a *pro forma* version of which is set forth in Appendix 5 to the GIP.

Generator Interconnection Procedures (GIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Generating Facility set forth in Attachment I of the Distribution Provider's Tariff.

Generator Interconnection Study Process Agreement shall mean the agreement between the Distribution Customer and the Interconnection Customer for conducting the Interconnection Studies for a proposed Generating Facility under the Cluster Study Process, a *pro forma* version of which is set forth in Appendix 3 of the GIP.

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

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

Group Study shall mean the process whereby more than one Interconnection Request are studied together, instead of individually, for the purpose of conducting one or more of the Interconnection Studies or analyses therein.

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

Initial Synchronization Date shall mean the date upon which the Generating Facility 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 Distribution Provider's Interconnection Facilities to obtain back feed power.

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

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Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the GIA, 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 Distribution Provider's Distribution System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Distribution Provider'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 Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Charge shall mean the monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 5 of Appendix A to the GIA.

Interconnection Facilities Completion Date shall mean the date upon which the construction of the Distribution Provider's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.

Interconnection Facilities Cost shall mean all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Provider's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 5 of Appendix A to the GIA.

Interconnection Financial Security shall have the meaning assigned to it in the GIP.

Interconnection Handbook shall mean a handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. Distribution Provider'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 GIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this GIA shall govern.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the GIP, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating

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characteristics of, an existing Generating Facility that is interconnected with the Distribution Provider's Distribution System.

Interconnection Service shall mean the service provided by the Distribution Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Distribution Provider's Distribution System and enabling it to receive, or deliver for the Charging Demand, electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the GIA and, if applicable, the Distribution Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Phase I Interconnection Study and the Phase II Interconnection Study described in Section 4.5 and Section 4.6 of the GIP.

Interconnection Study Cycle shall mean all requirements, actions, and respective obligations of the Distribution Provider and Interconnection Customer under the GIP applicable to an Interconnection Request submitted in a particular Cluster Application Window through execution by the parties of a GIA, or submission to FERC by Distribution Provider of an unexecuted GIA pursuant to Section 9 of the GIP.

IRS shall mean the Internal Revenue Service.

ISO shall mean the California Independent System Operator Corporation, a state-chartered, nonprofit, corporation that controls certain transmission facilities of all Participating Transmission Owners and dispatches certain generating units and loads.

ISO Grid shall mean the system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the ISO's operational control.

ISO Tariff shall mean the California Independent System Operator Corporation Operating Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time, and accepted by the FERC.

ISO's Generator Interconnection Procedures (ISO Tariff GIP) shall mean the procedures included in Appendix Y of the ISO Tariff to interconnect a Generating Facility directly to the ISO Grid, as such procedures may be modified from time to time, and accepted by the Commission.

ITCC (Income Tax Component of Contribution) shall have the meaning assigned to it in Attachment J of the Tariff.

Local Deliverability Constraint shall mean a Transmission System operating limit that would be exceeded if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to one or more additional generating facilities interconnecting to the ISO Grid in a specific local area, and that is not an Area Deliverability Constraint.

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Local Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve a Local Deliverability Constraint.

Local Delivery Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Local Delivery Network Upgrades constructed and owned by the Distribution Provider. The Local Delivery Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

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

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

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

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

Network Upgrades shall mean Delivery Network Upgrades and Reliability Network Upgrades.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the GIA or its performance.

Off-Peak Deliverability Assessment shall mean the technical study performed under Section 4.5.4.2.2 of the GIP.

On-Peak Deliverability Assessment shall mean the technical study performed under Section 4.5.4.2.1 of the GIP.

One-Time Cost shall mean all costs determined by the Distribution Provider to be associated with the installation of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, Reliability Network Upgrades, or Delivery Network Upgrades which are not capitalized. The One-Time Cost is provided in Section 5 of Appendix A to the GIA.

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

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those lines and facilities for the purpose of affording comparable non-discriminatory transmission access and meeting applicable reliability criteria.

Option (A) Generating Facility shall mean a Generating Facility for which the Interconnection Customer has selected Option (A) as the deliverability option under GIP Section 4.6.2.

Option (B) Generating Facility shall mean a Generating Facility for which the Interconnection Customer has selected Option (B) as the deliverability option under GIP Section 4.6.2.

Partial Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that cannot be larger than a specified amount of its Qualifying Capacity (as defined in the ISO Tariff), and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO.

Participating Transmission Owner shall mean an entity which (i) owns, operates, and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities and (ii) has transferred to the ISO operational control of such facilities and/or entitlements to be made part of the ISO Grid.

Party or Parties shall mean Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Phase I Interconnection Study shall mean an engineering study conducted by the Distribution Provider, that evaluates the impact of the proposed interconnection on the safety and reliability of the Distribution System, ISO Grid, and, if applicable, an Affected System. The portion of the study required to evaluate the impacts on the ISO Grid will be coordinated with the ISO and will be completed in a manner consistent with the ISO Tariff GIP. The study shall identify and detail the system impacts that would result if the Generating Facility(ies) were interconnected without identified project modifications or system modifications, as provided in the On-Peak Deliverability Assessment or Off-Peak Deliverability Assessment, and other potential impacts, including but not limited to those identified in the Scoping Meeting as described in the GIP. The study will also identify the approximate total costs of mitigating these impacts, along with an equitable allocation of those costs to Interconnection Customers for their individual Generating Facilities.

Phase II Interconnection Study shall mean an engineering and operational study conducted by the Distribution Provider to determine the Point of Interconnection and a list of facilities (including Distribution Provider's Interconnection Facilities, Network Upgrades, Distribution Upgrades, and Stand Alone Network Upgrades), the estimated cost of those facilities, and the estimated time required to interconnect the Generating Facility(ies) with the Distribution System. The portion of the study required to evaluate the impacts on the ISO Grid will be coordinated with the ISO and will be completed in a manner consistent with the ISO Tariff GIP.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the GIA, where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the GIA, where the Interconnection Facilities connect to the Distribution Provider's Distribution System.

Pre-Construction Activities shall mean the actions by the Distribution Provider, other than those required by an Engineering and Procurement Agreement under Section 8 of the GIP, undertaken prior to Construction Activities in order to prepare for the construction of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer, including, but not limited to, preliminary engineering, permitting activities, environmental analysis, or other activities specifically needed to obtain governmental approvals for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

Queue Cluster shall mean a set of Interconnection Requests in an Interconnection Study Cycle processed pursuant to the Cluster Study Process.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the GIA, 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.

Reliability Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, necessary to interconnect one or more Generating Facility(ies) safely and reliably to the ISO Grid, which would not have been necessary but for the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which system operating limits cannot be adequately mitigated through the ISO's congestion management, operating procedures, or special protection systems based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with the Applicable Reliability Council's practice and Applicable Reliability Standards, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.

Reliability Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

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Remedial Action Scheme (RAS) shall mean a scheme designed to detect predetermined system conditions and automatically take corrective actions that may include, but are not limited to, adjusting or tripping generation.

Results Meeting shall mean the meeting among the Distribution Provider, the Interconnection Customer, and, if applicable, the ISO and other Affected System operators to discuss the results of the Phase I Interconnection Study as set forth in Section 4.5.7 of the GIP.

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

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

Site Exclusivity Deposit shall mean the cash deposit provided to the Distribution Provider by Interconnection Customers under Section 4.2.1 of the GIP as an option in lieu of demonstrating Site Exclusivity for a valid Interconnection Request and treated in accordance with Section 4.2.1.2 of the GIP.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Distribution Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the GIA.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Distribution Provider's Distribution System, the ISO 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 Distribution Provider's Distribution System, the ISO Grid or on other delivery systems or other generating systems to which the Distribution Provider's Distribution System and Transmission System is directly connected.

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

Tax Security shall mean the Interconnection Customer's provision of security with respect to the Interconnection Customer's tax indemnification obligations, provided in accordance with Article 5.17.3. The Tax Security is provided in Section 5 of Appendix A to the GIA.

TP Deliverability shall mean the capability, measured in MW, of the ISO Grid as modified by transmission upgrades and additions modeled or identified in the annual Transmission Plan to support the interconnection with Full Capacity Deliverability Status or Partial Capacity Deliverability Status of additional Generating Facilities in a specified geographic or electrical area of the ISO Grid.

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

Transmission Plan shall mean the report prepared by the ISO on an annual basis pursuant to Section 24 of the ISO Tariff, which documents the outcome of the ISO's transmission planning process by which the ISO assesses the ISO Grid.

Transmission System shall mean those transmission facilities owned by the Distribution Provider that have been placed under the ISO's Operational Control and are part of the ISO Grid.

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

Uncontrollable Force shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force event does not include acts of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This GIA 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. Distribution Provider shall promptly file this GIA 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 GIA shall remain in effect for a period of _____ years from the Effective Date (term specified in individual agreements to be ten (10) years or such other longer period as the Interconnection

Customer may request) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

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

2.3.2 Default. Either Party may terminate this GIA in accordance with Article 17.

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

2.3.4 Notwithstanding Articles 2.3.1 and 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 GIA, which notice has been accepted for filing by FERC, and the Interconnection Customer has fulfilled its termination cost obligations under Article 2.4.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this GIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this GIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Distribution Provider's Interconnection Facilities that have not yet been constructed or installed, Distribution Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Distribution Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Distribution Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Distribution Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Distribution Provider to cancel any pending orders of or return such materials, equipment, or contracts.

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

2.4.2 Distribution Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Distribution Provider 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 GIA, 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 GIA, the Parties will take all appropriate steps to disconnect the Generating Facility from the Distribution 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 GIA or such non-terminating Party otherwise is responsible for these costs under this GIA.

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

Article 3. Regulatory Filings

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

Article 4. Scope of Service

- 4.1 Interconnection Service.** Interconnection Service allows Interconnection Customer to connect the Generating Facility to the Distribution System and be eligible to deliver, or receive for the Charging Demand, power from the ISO Grid using the capacity of the Distribution System. To the extent Interconnection Customer wants to receive Interconnection Service, Distribution Provider shall construct facilities identified in Appendices A and C that the Distribution Provider is responsible to construct.
- 4.1.1 Distribution Service Implications.** Interconnection Customer will be eligible to deliver power from the Generating Facility to Distribution Provider's Distribution System or receive power from the Distribution System for the Charging Demand pursuant to the Tariff. The Interconnection Customer may not deliver or receive power over the Distribution Provider's Distribution System absent procuring Distribution Service. The Interconnection Customer must apply for Distribution Service pursuant to Section 15.2 of the Tariff and meet the conditions specified in Section 14 of the Tariff to be eligible for Distribution Service.
- 4.1.2 Transmission Service Implications.** Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver or receive power to or from the Generating Facility to any particular load or resource on the ISO Grid without incurring congestion costs. In the event of transmission constraints on the ISO Grid, Interconnection Customer's Generating Facility shall be subject to the applicable congestion management procedures in the ISO Tariff in the same manner as all other resources. The Interconnection Customer shall be solely responsible for completing all of the necessary arrangements required under the ISO Tariff to be eligible to schedule the output and Charging Demand of its resource.
- 4.2 Provision of Service.** Distribution Provider shall provide Interconnection Service for the Generating Facility at the Point of Interconnection.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this GIA 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 GIA for its compliance therewith. If such Party is a Distribution Provider or Distribution Owner, then that Party shall amend the GIA and submit the amendment to FERC for approval.
- 4.4 No Distribution Service or Transmission Service.** The execution of this GIA does not constitute a request for, nor the provision of, Distribution Service under the Tariff or any transmission service under the ISO Tariff, and does not convey any right to the Interconnection Customer to deliver electricity generated or stored for later injection using the Distribution System.
- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this GIA are set forth in Article 9.6 and Article 13.5.1.

Interconnection Customer shall be paid for such services in accordance with Article 9.6.3.

- 4.6 TP Deliverability.** To the extent that an Interconnection Customer is eligible for and has been allocated TP Deliverability pursuant to Section 8.9 of Appendix DD of the ISO Tariff, the Interconnection Customer's retention of such allocated TP Deliverability shall be contingent upon satisfying the obligations set forth in Section 4.6.13 of the GIP. In the event that the Interconnection Customer does not retain allocated TP Deliverability with regard to any portion of the Generating Facility, such portion of the Generating Facility shall be deemed to receive Interconnection Service under this GIA as Energy Only Deliverability Status (as such term is defined in the ISO Tariff).

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

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

5.1.1 Standard Option. Distribution Provider shall design, procure, and construct Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, using Reasonable Efforts to complete Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades by the dates set forth in Appendix B, Milestones. Distribution Provider 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 Distribution Provider reasonably expects that it will not be able to complete Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades by the specified dates, Distribution Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

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

If Distribution Provider subsequently fails to complete Distribution Provider's Interconnection Facilities and Distribution Upgrades 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 or operation in charging mode, 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; Distribution Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the ISO refuses to grant clearances to install equipment.

- 5.1.3 Option to Build.** If the dates designated by Interconnection Customer are not acceptable to Distribution Provider, Distribution Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Distribution Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option. This provision only applies to Generating Facilities larger than 20 MW.
- 5.1.4 Negotiated Option.** If Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, Interconnection Customer shall so notify Distribution Provider within thirty (30) Calendar Days, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer) pursuant to which Distribution Provider is responsible for the design, procurement and construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Distribution Provider shall assume responsibility for the design, procurement and construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades pursuant to 5.1.1, Standard Option.
- 5.1.5 Merchant Option.** In addition to any Option to Build set forth in Article 5.1.3 of this GIA, an Interconnection Customer having an Option (B) Generating Facility may elect, pursuant to the ISO Tariff, to have a party other than the Distribution Provider construct some or all of the Local Delivery Network Upgrades and Area Delivery Network Upgrades for which the Interconnection Customer has the obligation to fund and which are not subject to reimbursement. Such Local Delivery Network Upgrades and Area Delivery Network Upgrades will be

constructed and incorporated into the ISO Grid pursuant to the provisions for merchant transmission facilities in ISO Tariff Sections 24.4.6.1 and 36.11.

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

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

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

(3) Distribution Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Distribution Provider a schedule for construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Distribution Provider;

(5) at any time during construction, Distribution Provider shall have the right to gain unrestricted access to Distribution Provider'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 Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Distribution Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades;

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

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

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Distribution Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Distribution Provider;

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

(11) Interconnection Customer shall deliver to Distribution Provider "as-built" drawings, information, and any other documents that are reasonably required by Distribution Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Distribution Provider.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Distribution Provider 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 Distribution Provider to Interconnection Customer in the event that Distribution Provider does not complete any portion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, in the aggregate, for which Distribution Provider 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades for which Distribution Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Distribution Provider to Interconnection Customer as just compensation for the damages caused to 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 GIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Distribution Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Distribution Provider's Interconnection

Facilities, Distribution Upgrades, or Network Upgrades to take the delivery of power for the Generating Facility's Trial Operation or to export power from the Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades to take the delivery of power for Generating Facility's Trial Operation or to export power from the Generating Facility, but for Distribution Provider's delay; (2) Distribution Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into a GIA with Distribution Provider, action or inaction by the ISO, or any cause beyond Distribution Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with Applicable Reliability Standards, the guidelines and procedures established by the Applicable Reliability Council, and in accordance with the provisions of Section 4.6.5.1 of the ISO Tariff. Distribution Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Generating Facility. If the Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Distribution Provider and Distribution Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators of the induction type.

5.5 Equipment Procurement. If responsibility for construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades is to be borne by Distribution Provider, then Distribution Provider shall commence design of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Distribution Provider has completed the Interconnection Studies pursuant to the Generator Interconnection Study Process Agreement;

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

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

5.6 Construction Commencement. Distribution Provider shall commence construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades;
 - 5.6.3** Distribution Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
 - 5.6.4** Interconnection Customer has provided security to Distribution Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7 Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Distribution Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Distribution Provider of such later date upon which the completion of Distribution Provider's Interconnection Facilities will be required.
- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Distribution Provider's Distribution System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9 Limited Operation.** If any of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Generating Facility, Distribution Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this GIA. Distribution Provider shall permit Interconnection Customer to operate the Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

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

5.10.1 Interconnection Customer's Interconnection Facility Specifications.

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Distribution Provider 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. Distribution Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Distribution Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

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

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

5.10.4 Interconnection Customer to Meet Requirements of the Distribution Provider's Interconnection Handbook. The Interconnection Customer shall comply with the Distribution Provider's Interconnection Handbook. In the event

of a conflict between the terms of this GIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this GIA shall govern.

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

_____.

Distribution Provider will obtain control for operating and maintenance purposes of Distribution Provider'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 Generating Facility with the Distribution System; (ii) operate and maintain the Generating Facility, the Interconnection Facilities and the Distribution System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this GIA. 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 Distribution Provider or Distribution Owner's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Distribution Provider or Distribution Owner, Distribution Provider or Distribution Owner shall at 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 Distribution Provider or Distribution Owner's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades upon such property.

- 5.14 Permits.** Distribution Provider or Distribution Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Distribution Provider or Distribution Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Distribution Provider's own, or an Affiliate's generation.
- 5.15 Early Construction of Base Case Facilities.** Interconnection Customer may request Distribution Provider to construct, and Distribution Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Distribution Upgrades or Network Upgrades required for Interconnection Customer to be interconnected to the Distribution System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.
- 5.16 Suspension.** Interconnection Customer reserves the right, upon written notice to Distribution Provider, to suspend at any time all work by Distribution Provider associated with the construction and installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades required under this GIA, other than Network Upgrades identified in the Phase II Interconnection Study as common to multiple generating facilities, with the condition that Distribution System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Distribution Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Distribution Provider (i) has incurred pursuant to this GIA 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 Distribution System and Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Distribution Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Distribution Provider shall obtain Interconnection Customer's authorization to do so.

Network Upgrades common to multiple generating facilities, and to which the Interconnection Customer's right of suspension shall not extend, consist of Network Upgrades identified for:

- i. Generating facilities which are the subject of all Interconnection Requests made prior to the Interconnection Customer's Interconnection Request; or
- ii. Generating facilities which are the subject of Interconnection Requests within the Queue Cluster where the Interconnection Customer's request for Full Capacity Deliverability Status or Partial Capacity Deliverability Status is assessed; or

- iii. Generating facilities that are the subject of Interconnection Requests that were made after the Interconnection Customer's Interconnection Request but no later than the date on which the Interconnection Customer's Phase II Interconnection Study report was issued, and have been modeled in the Base Case at the time the Interconnection Customer seeks to exercise its suspension rights under this section.

Distribution Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Distribution Provider required under this GIA pursuant to this Article 5.16, and has not requested Distribution Provider to recommence the work or has not itself recommenced work required under this GIA on or before the expiration of three (3) years following commencement of such suspension, this GIA shall be deemed terminated and the Interconnection Customer's responsibility for costs will be determined in accordance with Article 2.4 of this GIA. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Distribution Provider, if no effective date is specified. The maximum three-year period shall apply to the projected Commercial Operation Date for the Generating Facility identified in the initial Interconnection Request, without regard to any subsequent changes to the dates set forth in the Interconnection Request, without regard to the milestone schedule dates set forth in Appendix B hereto or any changes to those dates, and without regard to any other scheduled dates for action affecting the Generating Facility, Interconnection Facilities, or Network Upgrades or any changes to those dates.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Distribution Provider for the installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an 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 2016-36, Interconnection Customer represents and covenants that (i) ownership of the electricity generated or delivered from storage at the Generating Facility will pass to another party prior to the transmission of the electricity on the Distribution System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Distribution Provider for Distribution Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Distribution Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 2016-36,

is reasonably expected to carry only a de minimis amount of electricity in the direction of the 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 2016-36. 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 Distribution Provider’s request, Interconnection Customer shall provide Distribution Provider with a report from an independent engineer confirming its representation in clause (iii), above. Distribution Provider represents and covenants that the cost of Distribution Provider’s Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

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

Distribution Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this GIA unless (i) Distribution Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Distribution Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Distribution Provider to report payments or property transfers as income subject to taxation; provided, however, that Distribution Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Distribution Provider (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. Interconnection Customer shall reimburse Distribution Provider 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 Distribution Provider 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 (10) year testing period and the applicable statute of limitation, as it may be extended by Distribution Provider 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. 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 Interconnection Customer will pay Distribution Provider, in addition to the amount paid for the Interconnection Facilities, Distribution Upgrades, and Network Upgrades, an amount equal to (1) the current taxes imposed on Distribution Provider ("Current Taxes") on the excess of (a) the gross income realized by Distribution Provider as a result of payments or property transfers made by Interconnection Customer to Distribution Provider under this GIA (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 Distribution Provider 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 Distribution Provider's composite federal and state tax rates at the time the payments or property transfers are received and Distribution Provider 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 Distribution Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Distribution Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Distribution Owner pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Distribution Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Distribution Provider under this GIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Distribution Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Distribution Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS

regarding such request for a private letter ruling. Distribution Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If, within ten (10) years from the date on which the relevant Distribution Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, or (ii) a "disqualification event" occurs within the meaning of IRS Notice 2016-36, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Distribution Provider in the form of a nonrefundable cash payment, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 2016-36.

5.17.7 Contests. In the event any Governmental Authority determines that Distribution Provider's receipt of payments or property constitutes income that is subject to taxation, Distribution Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Distribution Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Distribution Provider 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. Distribution Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Distribution Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Distribution Provider on a periodic basis, as invoiced by Distribution Provider, Distribution Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Distribution Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Distribution Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully-grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's

consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Distribution Provider for the tax at issue in the contest.

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

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

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

(iii) with respect to any such taxes paid by Distribution Provider, any refund or credit Distribution Provider 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 Distribution Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Distribution Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Distribution Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Distribution Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Distribution Provider'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, Distribution Upgrades, and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

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

5.17.10 Distribution Owners Who Are Not Distribution Providers. If Distribution Provider is not the same entity as the Distribution Owner, then (i) all references in this Article 5.17 to Distribution Provider shall be deemed also to refer to and to include the Distribution Owner, as appropriate, and (ii) this GIA shall not become effective until such Distribution Owner shall have agreed in writing to assume all of the duties and obligations of Distribution Provider under this Article 5.17 of this GIA.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this GIA is intended to adversely affect any Distribution Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party 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 Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party 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 Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Distribution Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Distribution System, Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

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 GIA and Good Utility Practice.

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

5.19.4 Permitted Reductions in Output Capacity (MW Generating Capacity) of the Generating Facility. An Interconnection Customer may reduce the MW capacity of the Generating Facility by up to five percent (5%) for any reason during the time period between the Effective Date of this GIA and the Commercial Operation Date. The five percent (5%) value shall be established by reference to the MW generating capacity as set forth in Appendix C.

The Distribution Provider will consider an Interconnection Customer's request for a reduction in the MW generating capacity greater than five percent (5%) under limited conditions where the Interconnection Customer reasonably demonstrates to the Distribution Provider that the MW generation capacity reduction is warranted due to reasons beyond the control of the Interconnection Customer. Reasons beyond the control of the Interconnection Customer shall consist of any one or more of the following:

- (i) The Interconnection Customer's failure to secure required permits and other governmental approvals to construct the Generating Facility at its total MW generating capacity as specified in Appendix C after the

Interconnection Customer has made diligent effort to secure such permits or approvals;

- (ii) The Interconnection Customer's receipt of a written statement from the permitting or approval authority (such as a draft environmental impact report) indicating that construction of a Generating Facility of the total MW generating capacity size specified in Appendix C will likely result in disapproval due to a significant environmental or other impact that cannot be mitigated;
- (iii) Failure to obtain the legal right of use of the full site acreage necessary to construct and/or operate the total MW generating capacity size for the entire Generating Facility specified in Appendix C, after the Interconnection Customer has made a diligent attempt to secure such legal right of use. This subsection (iii) applies only where an Interconnection Customer has previously demonstrated and maintained its demonstration of Site Exclusivity prior to invoking this subsection as a reason for downsizing.

If relying on subsection (i) or (ii) above, in order to be eligible for a capacity reduction greater than five percent (5%), the Interconnection Customer must also demonstrate to the Distribution Provider that a reduction of MW generating capacity of the Generating Facility to the reduced size that the Interconnection Customer proposes will likely overcome the objection of the permitting/approving authority or otherwise cause the permitting/approving authority to grant the permit or approval. The Interconnection Customer may satisfy this demonstration requirement by submitting to the Distribution Provider either a writing from the permitting/approving authority to this effect or other evidence of a commitment by the permitting/approving authority that the MW capacity reduction will remove the objections of the authority to the permit/approval application.

If relying on subsection (iii) above, the Interconnection Customer must also reasonably demonstrate to the Distribution Provider that the proposed reduced-capacity Generating Facility can be constructed on the site over which the Interconnection Customer has been able to obtain legal rights of use.

Upon such demonstration to the reasonable satisfaction of the Distribution Provider, the Distribution Provider will permit such reduction. No permitted reduction of MW generation capacity under this Article shall operate to diminish the Interconnection Customer's cost responsibility for Network Upgrades or to diminish the Interconnection Customer's right to repayment for financing of Network Upgrades under this GIA.

5.20 Annual Reassessment Process. In accordance with Section 7.4 of Appendix DD of the ISO Tariff, the ISO will perform an annual reassessment, as part of a Queue Cluster interconnection study cycle, in which it will update certain base case data prior to

beginning the Phase II Interconnection Studies. As set forth in Section 7.4 of Appendix DD of the ISO Tariff, the ISO may determine through this assessment that Delivery Network Upgrades already identified and included in executed generator interconnection agreements should be modified in order to reflect the current circumstances of interconnection customers in the queue, including any withdrawals therefrom, and any additions and upgrades approved in the ISO's most recent transmission planning process cycle. To the extent that this determination modifies the scope or characteristics of, or the cost responsibility for, any Delivery Network Upgrades set forth in Appendix A to this GIA, such modification(s) will be reflected through an amendment to this GIA.

Article 6. Testing and Inspection

- 6.1 Pre-Commercial Operation Date Testing and Modifications.** Prior to the Commercial Operation Date, Distribution Provider shall test Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades and Interconnection Customer shall test the Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. The Interconnection Customer shall not commence initial parallel operation of an Electric Generating Unit with the Distribution Provider's Distribution System until the Distribution Provider provides prior written approval as set forth in Appendix B, Milestones, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit. Interconnection Customer shall generate or receive test energy at the Generating Facility only if it has arranged for the delivery or receipt 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 Generating Facility with the Distribution System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other 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 GIA.

Article 7. Metering

- 7.1 General.** Each Party shall comply with any Applicable Reliability Standards and the Applicable Reliability Council requirements. The Interconnection Customer shall comply with the provisions of the ISO Tariff regarding metering, including Section 10 of the ISO Tariff. Unless otherwise agreed by the Parties, Distribution Provider may install additional Metering Equipment at the Point of Interconnection prior to any operation of the Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Generating Facility shall be measured at or, at Distribution Provider's option, compensated to, the Point of Interconnection. Interconnection Customer's access to meter data shall be provided in accordance with the ISO Tariff. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check the ISO-poled meters or Distribution Provider'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 GIA, except in the case that no other means are available on a temporary basis at the option of the Distribution Provider. The check meters shall be subject at all reasonable times to inspection and examination by Distribution Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.
- 7.3 Distribution Provider Retail Metering.** Distribution Provider may install retail revenue quality meters and associated equipment, pursuant to the Distribution Provider's applicable retail tariffs. Metering for Generating Facilities which include storage, and which utilize the Distribution System for charging the storage device pursuant to the Tariff, shall be configured to meter the retail load separately from the Charging Demand (as required in Article 7.4), and may require, but not be limited to, the installation of multiple meters and associated equipment as specified in Appendix A of the GIA.
- 7.4 Requirements for Storage.** Distribution Provider shall, at the Interconnection Customer's expense, install, own, operate, test and maintain meters and associated metering equipment required to meter the Charging Demand of Generating Facilities that include storage.

Article 8. Communications

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

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Distribution Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Distribution Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Distribution Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Distribution Provider.

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

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

Article 9. Operations

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

- 9.2 Control Area Notification.** At least three months before Initial Synchronization Date, Interconnection Customer shall notify Distribution Provider in writing of the Control Area in which the Generating Facility will be located. If Interconnection Customer elects to locate the Generating Facility in a Control Area other than the Control Area in which the Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this GIA, 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 Generating Facility in the other Control Area.
- 9.3 Distribution Provider Obligations.** Distribution Provider shall cause the Distribution System and Distribution Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this GIA. Distribution Provider may provide operating instructions to Interconnection Customer consistent with this GIA and Distribution Provider's operating protocols and procedures as they may change from time to time. Distribution Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** Interconnection Customer shall at its own expense operate, maintain and control the Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this GIA. Interconnection Customer shall operate the Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this GIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this GIA.
- 9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Generating Facility to Distribution Provider's Distribution System.
- 9.6 Reactive Power.**
- 9.6.1 Power Factor Design Criteria.**
- 9.6.1.1 Synchronous Generation.** Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation, or equivalent location when there is not a generator substation, at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established a different power factor range that applies to all non-synchronous generators in the Control Area on a comparable basis. This power factor range standard shall be dynamic and can be met 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet submitted the initial posting of Interconnection Financial Security as of the effective date of the Final Rule establishing this requirement (Order No. 827).

Newly interconnecting non-synchronous generators that have submitted the initial posting of Interconnection Financial Security and have not executed a GIA, or requested the filing of an unexecuted GIA, as of the effective date of the Final Rule, will be required to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, if an Interconnection Study shows that such a requirement is necessary to ensure safety or reliability.

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Generating Facility with the Distribution System, Distribution Provider shall require Interconnection Customer to operate the Generating Facility to produce or absorb reactive power within the design limitations of the Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Distribution Provider's voltage schedules shall treat all sources of reactive power interconnected with the Distribution System in an equitable and not unduly discriminatory manner and consistent with the applicable requirements of the ISO Tariff. Distribution Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Distribution System and Transmission System. Interconnection Customer shall operate the Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the Distribution Provider and the ISO.

9.6.2.1 Governors and Regulators. Whenever the Generating Facility is operated in parallel with the Distribution System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Generating Facility with its speed governors and voltage

regulators in automatic operation. If the Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Distribution Provider and the ISO, and ensure that the Electric Generating Unit operates as specified in Article 9.6.2 through manual operation and that such Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Generating Facility's generating unit(s) and steady state stability limits.

Interconnection Customer shall not cause its Generating Facility to disconnect automatically or instantaneously from the Distribution System or trip any generating unit comprising the 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. Payment to Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Generating Facility when the ISO requests Interconnection Customer to operate its Generating Facility outside the range specified in Article 9.6.1 will be made by the ISO in accordance with the applicable provisions of the ISO Tariff.

9.7 Outages and Interruptions.

9.7.1 Outages.

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

9.7.1.2 Outage Schedules. Interconnection Customer shall submit its planned maintenance schedules for the Generating Facility to Distribution Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Distribution Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Distribution System and Transmission System. Distribution Provider shall compensate Interconnection Customer for any additional direct costs that

Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Distribution Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities. Distribution Provider shall have no obligation to pay Interconnection Customer any costs the Interconnection Customer incurs as the result of being directed by the ISO to reschedule maintenance.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the 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.

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

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

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

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Generating Facility, Interconnection Facilities, and the Distribution System and Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Frequency and Voltage Ride Through. The Interconnection Customer shall ensure “frequency ride through” capability and “voltage ride through” capability of the Generating Facility. The Interconnection Customer shall enable these capabilities such that the Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Distribution Provider and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to Article 6 of this GIA. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Control Area on a comparable basis.

9.7.4 System Protection and Other Control Requirements.

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

9.7.4.2 Each Party’s protection facilities shall be designed and coordinated with other systems in accordance with Applicable Reliability Standards, Applicable Reliability Council criteria, and Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party'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 Interconnection Customer's units.

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

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent 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 Distribution Provider, including, if applicable, the requirements of the Distribution Provider'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 Distribution Provider's Interconnection Handbook, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Generating Facility to any short circuit occurring on the Distribution System not otherwise isolated by Distribution Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Distribution System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Generating Facility and the Distribution System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Generating Facility and Interconnection Customer's other equipment if conditions on the Distribution System could adversely affect the Generating Facility.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or

any applicable superseding electric industry standard or any alternative Applicable Reliability Standard or Applicable Reliability Council standard. In the event of a conflict among ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, or any alternative Applicable Reliability Standard or Applicable Reliability Council standard, the alternative Applicable Reliability Standard or Applicable Reliability Council standard shall control.

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

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Generating Facility to the Distribution 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 Distribution Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Distribution Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Distribution Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

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

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9.11 Limitations on Charging for Storage. Generating Facilities that include storage may be subject to limits on the amount of Charging Capacity, the times during which the storage component may charge from the Distribution System, or other limitations on Charging Demand as specified in Appendix C of the GIA.

Article 10. Maintenance

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

Article 11. Performance Obligation

- 11.1 Interconnection Customer Interconnection Facilities.** Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Distribution Provider's Interconnection Facilities. Distribution Provider or Distribution Owner shall design, procure, construct, install, own and/or control the Distribution Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer. The Interconnection Customer shall be responsible for funding all costs related to Distribution Provider's Interconnection Facilities. The costs set forth in Appendix A are estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for the Distribution Provider's Interconnection Facilities. The Interconnection Customer shall be responsible for the actual costs related to Distribution Provider's Interconnection Facilities.

11.3 Network Upgrades and Distribution Upgrades. Distribution Provider or Distribution Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, except for any Stand Alone Network Upgrades and Merchant Network Upgrades (as such term is defined in the ISO Tariff).

11.3.1 Distribution Upgrades. The Interconnection Customer shall be responsible for funding its share of the costs related to Distribution Upgrades. The costs set forth in Appendices A and G are estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for Distribution Upgrades. The Interconnection Customer shall be responsible for the actual costs of its share of the costs related to Distribution Upgrades.

11.3.2 Reliability Network Upgrades. The Interconnection Customer shall be responsible for funding its share of the costs of the Reliability Network Upgrades up to the maximum cost responsibility limit established for the Interconnection Customer in accordance with Section 4.6 of the GIP for such facilities. The costs set forth in Appendices A and G are estimates only. The Interconnection Customer shall be responsible for its share of the actual costs of Reliability Network Upgrades up to its maximum cost responsibility limit. The Interconnection Customer may be entitled to repayment of all or a portion of the costs it funded for Reliability Network Upgrades in accordance with Article 11.4.1.

11.3.3 Local Delivery Network Upgrades. If the Interconnection Customer has an Option (A) Generating Facility, or if the Interconnection Customer has an Option (B) Generating Facility and did not select the Merchant Option for the Local Delivery Network Upgrades, then the Interconnection Customer shall be responsible for funding its share of the costs of Local Delivery Network Upgrades up to the maximum cost responsibility limit established for the Interconnection Customer in accordance with Section 4.6 of the GIP for such facilities. The costs set forth in Appendices A and G are estimates only. The Interconnection Customer shall be responsible for its share of the actual costs of Local Delivery

Network Upgrades up to its maximum cost responsibility limit. The Interconnection Customer may be entitled to repayment for the costs it funded for Local Delivery Network Upgrades in accordance with Article 11.4.1.

11.3.4 Area Delivery Network Upgrades. If the Interconnection Customer has an Option (A) Generating Facility, the Interconnection Customer will not be responsible for funding the costs of any Area Delivery Network Upgrades. If the Interconnection Customer has an Option (B) Generating Facility and did not select the Merchant Option for the Area Delivery Network Upgrades, then the Interconnection Customer shall be responsible for funding the costs of Area Delivery Network Upgrades. The costs set forth in Appendices A and G are advisory estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for Area Delivery Network Upgrades. The Interconnection Customer shall be responsible for the actual costs of Area Delivery Network Upgrades. The Interconnection Customer will not be entitled to repayment for the costs it funded for Area Delivery Network Upgrades in accordance with Article 11.4.1.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. An Interconnection Customer in Queue Cluster 8 or earlier may be entitled, in accordance with this Article 11.4.1, to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades commencing on the Commercial Operation Date of its Generating Facility.

An Interconnection Customer in Queue Cluster 9 or later may be entitled, in accordance with this Article 11.4.1, to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service on or before the Commercial Operation Date of its Generating Facility, commencing on the Commercial Operation Date of its Generating Facility. Repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service after the Commercial Operation Date of its Generating Facility shall, for each of these Network Upgrades, commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) ninety (90) Calendar Days after the Network Upgrade is placed into service.

Interconnection Customer may be entitled to a cash repayment based on the amount paid to Distribution Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, as follows:

a) Reliability Network Upgrades. The Interconnection Customer shall be entitled to a repayment of the amount the Interconnection Customer paid to

the Distribution Provider for Reliability Network Upgrades as set forth in Appendix A and G, up to a maximum of \$60,000 per MW of Generating Facility capacity. For purposes of this determination, the Generating Facility capacity will be based on the capacity of the Interconnection Customer's Generating Facility at the time it achieves Commercial Operation. However, to the extent that such repayment does not cover all of the costs of Interconnection Customer's Reliability Network Upgrades, the Interconnection Customer may receive Congestion Revenue Rights (as such term is defined in the ISO Tariff) from the ISO in accordance with the ISO Tariff for that portion of its Reliability Network Upgrades that are not covered by cash repayment.

b) Local Delivery Network Upgrades.

- i. If the Interconnection Customer has an Option (A) Generating Facility, the Interconnection Customer shall be entitled to a repayment equal to the total amount the Interconnection Customer paid to the Distribution Provider for the costs of Local Delivery Network Upgrades.
- ii. If the Interconnection Customer has an Option (B) Generating Facility and has been allocated TP Deliverability and continues to be eligible to retain such TP Deliverability pursuant to Appendix DD of the ISO Tariff, the Interconnection Customer shall be entitled to repayment of a portion of the total amount paid to the Distribution Provider for the costs of Local Delivery Network Upgrades. The repayment amount shall be determined by dividing the amount of TP Deliverability received by the amount of TP Deliverability requested by the Interconnection Customer, and multiplying that percentage by the total amount paid to the Distribution Provider by the Interconnection Customer for Local Delivery Network Upgrades. However, the Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for that portion of its Local Delivery Network Upgrades that are not covered by cash repayment.
- iii. If the Interconnection Customer has an Option (B) Generating Facility and has not been allocated any TP Deliverability pursuant to Appendix DD of the ISO Tariff, the Interconnection Customer shall not be entitled to repayment of the amount paid to the Distribution Provider for the costs of Local Delivery Network Upgrades. However, the Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for the costs of Local Delivery Network Upgrades that are not covered by cash repayment.

- c) **Area Delivery Network Upgrades.** The Interconnection Customer shall not be entitled to repayment of the amount paid to the Distribution Provider for the costs of Area Delivery Network Upgrades. However, the Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for the costs of Area Delivery Network Upgrades that are not covered by cash repayment.

Any repayment for Reliability Network Upgrades and Local Delivery Network Upgrades, as specified above, will be paid to the Interconnection Customer by the Distribution Provider on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Distribution Provider's Tariff and Affected System's Tariff for transmission services with respect to the Generating Facility. 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 pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Distribution Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Distribution Provider and Affected System Operator take one of the following actions no later than five years from the applicable date as provided for in this Article 11.4.1: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Distribution Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the applicable commencement date.

If the Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Distribution Provider and Affected System Operator 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. Unless Distribution Provider provides, under the GIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by

Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this GIA, 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 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 Generating Facility.

11.5 Provision of Interconnection Financial Security. The Interconnection Customer is obligated to provide all necessary Interconnection Financial Security required under Section 4.8 of the GIP in a manner acceptable under Section 4.8 of the GIP.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due 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 GIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within twelve (12) months after completion of the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades, Distribution Provider shall provide an invoice of the final cost of the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Distribution Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this GIA.

12.4 Disputes. In the event of a billing dispute between Distribution Provider and Interconnection Customer, Distribution Provider shall continue to provide

Interconnection Service under this GIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Distribution Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Distribution Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

- 13.1 Definition.** "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Distribution System, Distribution Provider's Interconnection Facilities or the Transmission Systems of others to which the Distribution System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the 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 GIA to possess black start capability.
- 13.2 Obligations.** Each Party shall comply with the Emergency Condition procedures of the ISO, NERC, the Applicable Reliability Council, Applicable Reliability Standards, Applicable Laws and Regulations, and any emergency procedures set forth in this GIA.
- 13.3 Notice.** Distribution Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Distribution Provider's Interconnection Facilities, Distribution System or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Distribution Provider promptly when it becomes aware of an Emergency Condition that affects the Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Distribution System, Transmission System or Distribution Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Distribution Provider'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.
- 13.4 Immediate Action.** Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of

Distribution Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Distribution Provider or otherwise regarding the Distribution System.

13.5 Distribution Provider Authority.

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

Distribution Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Generating Facility or Interconnection Customer's Interconnection Facilities. Distribution Provider may, on the basis of technical considerations, require the Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Distribution Provider's operating instructions concerning Generating Facility real power and reactive power output within the manufacturer's design limitations of the 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. Distribution Provider may reduce Interconnection Service or disconnect the Generating Facility or 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 Distribution Provider can schedule the reduction or disconnection in advance, Distribution Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Distribution Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Distribution Provider. 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 Generating Facility, the Interconnection Facilities,

and the Distribution System to their normal operating state as soon as practicable consistent with Good Utility Practice.

- 13.6 Interconnection Customer Authority.** Consistent with Good Utility Practice and the GIA and the GIP, Interconnection Customer may take actions or inactions with regard to the Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Generating Facility or 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 Distribution System and Distribution Provider's Interconnection Facilities. Distribution Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.
- 13.7 Limited Liability.** Neither Party shall be liable to the other 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 GIA 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 GIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, 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 GIA 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 GIA 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 GIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or

permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this GIA by giving five (5) Business Days written notice prior to the effective date of the change.

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

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

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party 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. Uncontrollable Force

16.1 Uncontrollable Force.

16.1.1 Economic hardship is not considered an Uncontrollable Force event.

16.1.2 Neither 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 Uncontrollable Force. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of an Uncontrollable Force shall give notice and the full particulars of such Uncontrollable Force 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 Uncontrollable Force, the time and date when the Uncontrollable Force occurred and when the Uncontrollable Force 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 an Uncontrollable Force as defined in this GIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party 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 non-breaching Party shall have the right to declare a Default and terminate this GIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this GIA, 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 GIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this GIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person 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 Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

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

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

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

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

18.3 Insurance. As indicated below, the designated Party shall, at its own expense, maintain in force throughout the period of this GIA, and until released by the other Party, 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:

18.3.1 Workers' Compensation Insurance and Employers' Liability. The Distribution Provider and the Interconnection Customer shall maintain such coverage from the commencement of any Construction Activities providing statutory benefits for workers compensation coverage and coverage amounts of no less than one million dollars (\$1,000,000) for employer's liability for each employee for bodily injury by accident and one million dollars (\$1,000,000) for each employee for bodily injury by disease in accordance with the laws and regulations of the state in which the Point of Interconnection is located. The Distribution Provider shall provide the Interconnection Customer with evidence of such insurance coverage within thirty (30) Calendar Days of any request by the Interconnection Customer. The Interconnection Customer and contractor or any other person acting on Interconnection Customer's behalf shall provide evidence of such insurance thirty (30) Calendar Days prior to entry by any employee or contractor or other person acting on the Interconnection Customer's behalf onto any construction site to perform any work related to the Interconnection Facilities or Generating Facility.

18.3.2 Commercial General Liability Insurance. The Distribution Provider and the Interconnection Customer shall maintain commercial general liability insurance coverage commencing within thirty (30) Calendar Days of the Effective Date of this GIA, including coverage for premises and operations, bodily injury (including death), personal injury, property damage, products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, and (i) liability of Distribution Provider and the Interconnection Customer that would be imposed without the GIA, or (ii) liability assumed by the Distribution Provider and the Interconnection Customer in a contract or agreement that is an "insured contract" under commercial general liability insurance policy. Such insurance shall include no cross liability exclusions or separation of insured clause endorsement exclusions, with minimum limits of one million dollars (\$1,000,000) per occurrence/one million dollars (\$1,000,000) aggregate. If the activities of the Interconnection Customer are being conducted through the actions of an Affiliate, then the Interconnection Customer may satisfy the insurance requirements of this Article 18.3.2 by providing evidence of insurance coverage carried by such Affiliate and showing the Distribution Provider as an additional insured only with respect to the GIA, together with the Interconnection Customer's written representation to the Distribution Provider that the insured Affiliate is conducting all of the necessary pre-construction work. Within thirty (30) Calendar Days prior to the entry of any person on behalf of the Interconnection Customer onto any construction site to perform work related to the Interconnection Facilities or Generating Facility, the Interconnection Customer shall replace any evidence of Affiliate insurance with

evidence of such insurance carried by the Interconnection Customer, naming the Distribution Provider as additional insured only with respect to the GIA.

- 18.3.3 Business Automobile Liability Insurance.** Prior to the entry of any vehicles on any construction site in connection with work done by or on behalf of the Interconnection Customer, the Interconnection Customer shall provide evidence of 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. The Interconnection Customer shall include the Distribution Provider as an additional insured with respect to the GIA on any such policies.
- 18.3.4 Excess Liability Insurance.** Commencing at the time of entry of any person on its behalf upon any construction site for the Distribution Upgrades, Interconnection Facilities, or Generating Facility, the Distribution Provider and the Interconnection Customer shall maintain excess liability insurance over and above the Employers' Liability, Commercial General Liability, and Business Automobile Liability Insurance coverage, with a minimum limit of one million dollars per MW, of Generating Facility capacity, rounded up to the nearest MW, per occurrence, up to a maximum of twenty million dollars (\$20,000,000) per occurrence/twenty million dollars (\$20,000,000) aggregate. Such insurance carried by the Distribution Provider shall include the Interconnection Customer as an additional insured with respect to the GIA, and such insurance carried by the Interconnection Customer shall include the Distribution Provider as an additional insured with respect to the GIA. The requirements of Article 18.3.2 and 18.3.4 may be met by any combination of general and excess liability insurance.
- 18.3.5** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies shall include the other Party identified in the articles above, its parent, their subsidiaries, 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 GIA against the Other Party Group. If any Party can reasonably demonstrate that coverage policies containing provisions for insurer waiver of subrogation rights, or advance notice are not commercially available, then the Parties shall meet and confer and mutually determine to (i) establish replacement or equivalent terms in lieu of subrogation or notice or (ii) waive the requirements that coverage(s) include such subrogation provision or require advance written notice from such insurers.
- 18.3.6** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies shall contain provisions that specify that the policies are primary and non-contributory. Each Party shall be responsible for its respective deductibles or self-insured retentions.

18.3.7 The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess 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 GIA, which coverage may be in the form of extended reporting period coverage if agreed by the Parties.

18.3.8 [Not Used.]

18.3.9 Thirty (30) Calendar Days prior to the start of any work at the construction site related to Interconnection Facilities or Generating Facility under this GIA, 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 a certificate of insurance for all insurance required in this GIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure (a) to meet the minimum insurance requirements of Article 18.3.1, to the extent that it maintains a self-insurance program and is a qualified self-insurer within the state in which the Point of Interconnection is located, under the laws and regulations of such state; and (b) to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.9 to the extent it maintains a self-insurance program; provided that, such Party is organized under the laws of the United States or a political subdivision thereof and such Party's rating for its senior unsecured, long-term debt (not supported by third party credit enhancements) or if such Party does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such Party by Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor ("S&P") or Moody's Investor Services, Inc. or its successor ("Moody's") is (i) if rated by S&P and Moody's is rated at least "BBB-" by S&P and "Baa3" by Moody's, or (ii) if rated by only one of S&P or Moody's, rated at least "BBB-" by S&P or "Baa3" by Moody's, and (iii) that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.9. For any period of time that a Party's senior unsecured, long-term debt is unrated by S&P or Moody's, or its unsecured long-term debt or the rating assigned to such Party does not meet the requirements in (i) or (ii), 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 Party 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 greater than \$25,000, including within the scope of coverage of such insurance whether or not such coverage is sought.

Article 19. Assignment

19.1 Assignment. This GIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this GIA 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 GIA; and provided further that Interconnection Customer shall have the right to assign this GIA, without the consent of Distribution Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Interconnection Customer will promptly notify Distribution Provider of any such assignment. Any financing arrangement entered into by 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 Distribution Provider of the date and particulars of any such exercise of assignment right(s), including providing the Distribution Provider 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 GIA 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 GIA 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 GIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Distribution Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

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

Article 22. Confidentiality

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

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

If requested by either Party, the other Party 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 GIA, and for a period of three (3) years after the expiration or termination of this GIA, 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 GIA; or (6) is required, in accordance with Article 22.1.7 of the GIA, 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 GIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this GIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

- 22.1.4 Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 22.1.5 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this GIA or its regulatory requirements.
- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this GIA. 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 GIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.
- 22.1.9 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party 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 CFR 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 GIA, 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 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this GIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the GIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR 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, any information that a Party claims is competitively sensitive, commercial or financial information under this GIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this GIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other 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.

Southern California Edison Company
FERC Electric Tariff, Second Revised Volume No. 5

Article 23. Environmental Releases

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

Article 24. Information Requirements

24.1 Information Acquisition. Distribution Provider and 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 Distribution Provider. The initial information submission by Distribution Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Distribution System and Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Distribution Provider shall provide Interconnection Customer a status report on the construction and installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Generating Facility data requirements contained in Appendix 1 to the GIP. It shall also include any additional information provided to Distribution Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Distribution Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Distribution Provider pursuant to the Interconnection Study Agreement between Distribution Provider and Interconnection Customer, then Distribution Provider

will conduct appropriate studies to determine the impact on Distribution Provider Distribution System and Transmission System 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.

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” Generating Facility 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 Generating Facility as required by Good Utility Practice such as an open circuit “step voltage” test on the Generating Facility to verify proper operation of the Generating Facility’s automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Generating Facility 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 Generating Facility’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Generating Facility terminal or field voltages is provided. Generating Facility testing shall be conducted and results provided to Distribution Provider for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, Interconnection Customer shall provide Distribution Provider any information changes due to equipment replacement, repair, or adjustment. Distribution Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Distribution Provider-owned substation that may affect Interconnection Customer’s Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

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 GIA; and (ii) carry out its obligations and responsibilities under this GIA. 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 GIA.

25.2 Reporting of Non-Uncontrollable Force Events. Each Party (the “notifying Party”) shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this GIA for a reason other than an Uncontrollable Force 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 GIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this GIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party’s accounts and records pertaining to either Party’s performance or either Party’s satisfaction of obligations under this GIA. Such audit rights shall include audits of the other Party’s costs, calculation of invoiced amounts, Distribution Provider’s efforts to allocate responsibility for interruption or reduction of generation on the Distribution System, and each Party’s actions in an Emergency Condition. 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 Party’s performance and satisfaction of obligations under this GIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

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 Distribution Provider’s Interconnection Facilities, Distribution Upgrades, and Network Upgrades shall be subject to audit for a period of twenty-four months following Distribution Provider’s issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party’s performance or satisfaction of all obligations under this GIA 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.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, 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.

Article 26. Subcontractors

- 26.1 General.** Nothing in this GIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this GIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this GIA 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 GIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Distribution Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this GIA. Any applicable obligation imposed by this GIA 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

- 27.1 Submission.** In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this GIA 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 GIA.
- 27.2 External Arbitration Procedures.** Any arbitration initiated under this GIA 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 GIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, Distribution Upgrades, 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 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 GIA 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 GIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this GIA, to become a Party hereto and to perform its obligations hereunder. This GIA 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 GIA 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 GIA 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 GIA, and it will provide to any Governmental Authority notice of any actions under this GIA that are required by Applicable Laws and Regulations.

Article 29. [Reserved]

Article 30. Miscellaneous

30.1 Binding Effect. This GIA 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 GIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this GIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This GIA, 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 GIA, 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 GIA), 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 GIA or such Appendix to this GIA, or such Section to the GIP or such Appendix to the GIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this GIA 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 GIA, 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 GIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this GIA.

30.5 No Third Party Beneficiaries. This GIA 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 GIA to insist, on any occasion, upon strict performance of any provision of this GIA 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 GIA 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 GIA. Termination or Default of this GIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer’s legal rights to obtain an interconnection from Distribution Provider. Any waiver of this GIA shall, if requested, be provided in writing.

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

30.8 Multiple Counterparts. This GIA 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 GIA by a written instrument duly executed by the Parties.

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

30.11 Reservation of Rights. Distribution Provider shall have the right to make a unilateral filing with FERC to modify this GIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other

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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 GIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this GIA 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 GIA 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 either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

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

[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____

Name: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Name: _____

Title: _____

Date: _____

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Appendix A to GIA

Description of Interconnection Facilities, Network Upgrades, Distribution Upgrades, Costs and Financial Security

Additional Definitions:

1. Interconnection Facilities:

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

(b) [insert Distribution Provider's Interconnection Facilities]:

2. Network Upgrades:

(a) [insert Stand Alone Network Upgrades]:

(b) [insert Other Network Upgrades]:

3. Distribution Upgrades:

4. Point of Change of Ownership, Point of Interconnection and One-Line Diagram of Interconnection:

5. Cost of Interconnection Facilities, Distribution Upgrades and Network Upgrades, Payment Schedule, On-Going Monthly Charges and Financial Security:

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Appendix D to GIA

Security Arrangements Details

Infrastructure security of Distribution System and Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Distribution System reliability and operational security. FERC will expect the ISO, all transmission providers, market participants, and interconnection customers interconnected to the Distribution System and Transmission System 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.

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Appendix E to GIA

Commercial Operation Date

This Appendix E is a part of the GIA between Distribution Provider and Interconnection Customer.

[Date]

[Distribution Provider Address]

Re: _____ Generating Facility

Dear _____:

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

Thank you.

[Signature]

[Interconnection Customer Representative]

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Appendix F to GIA

Addresses for Delivery of Notices and Billings

Notices:

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

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

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

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Appendix G to GIA

**Interconnection Customer's Share of Costs of Network Upgrades for Applicable Project
Group**

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APPENDIX 6.2 to GIP

**GENERATOR INTERCONNECTION AGREEMENT (GIA)
FOR A GENERATING FACILITY
INTERCONNECTING UNDER THE INDEPENDENT STUDY PROCESS**

(Applicable to Interconnection Requests received on and after December 1, 2012)

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GENERATOR INTERCONNECTION AGREEMENT

THIS GENERATOR INTERCONNECTION AGREEMENT (“GIA” or “Agreement”) is made and entered into _____, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ (“Interconnection Customer” with a Generating Facility), and Southern California Edison Company, a corporation organized and existing under the laws of the State of California (“Distribution Provider and/or Distribution Owner”). Interconnection Customer and Distribution Provider each may be referred to as a “Party” or collectively as the “Parties.”

Recitals

WHEREAS, Distribution Provider operates the Distribution System; and

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

WHEREAS, Interconnection Customer and Distribution Provider have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the Distribution System;

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

When used in this Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Tariff.

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 Distribution Provider’s Distribution System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

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

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

Annual Tax Security Reassessment shall mean the annual reassessment of the current tax liability in accordance with the directives of FERC Orders 2003-A and 2003-B associated with Article 5.17.4 of the GIA which will commence the first year after Interconnection Customer's in-service date.

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

Applicable Reliability Council shall mean the reliability council applicable to the Distribution System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Distribution System to which the Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.

Area Deliverability Constraint shall mean a Transmission System operating limit that either (a) would constrain the deliverability of a substantial number of generators if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to additional generating facilities in one or more specified geographic or electrical areas of the ISO Grid in a total amount that is greater than the TP Deliverability for those areas; (b) constrains a quantity of generation in a local area of the grid that is larger than the generation amount identified in the applicable transmission planning process portfolio for the entire portfolio area; or (c) constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

Area Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve an Area Deliverability Constraint.

Area Delivery Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Area Delivery Network Upgrades constructed and owned by the Distribution Provider. The Area Delivery Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

Base Case shall mean data including, but not limited to, base power flow, short circuit, and stability data bases, underlying load, generation, and transmission facility assumptions, contingency lists, including relevant special protection systems, and transmission diagrams used to perform the Interconnection Studies. The Base Case may include Critical Energy

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Infrastructure Information (as that term is defined by FERC). The Base Case shall include transmission facilities as approved by the Distribution Provider or ISO, as applicable, and Distribution Upgrades and Network Upgrades associated with generating facilities in (iv) below and generating facilities that (i) are directly interconnected to the Distribution System or ISO Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to the Distribution System or an Affected System; or (iv) are not interconnected to the Distribution System or ISO Grid, but are subject to a fully executed generator interconnection agreement (or its equivalent predecessor agreement) or for which an unexecuted generator interconnection agreement (or its equivalent predecessor agreement) has been requested to be filed with FERC.

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

Breaching Party shall mean a Party that is in Breach of the GIA.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

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

Charging Capacity shall mean the capacity provided under the GIA to meet the Charging Demand of a Generating Facility that includes storage, subject to available capacity on the Distribution System and any operating conditions and/or limitations as may be set forth in Appendix C of the GIA.

Charging Demand shall mean the flow of wholesale electric energy from the Distribution System solely to charge the storage component of the Generating Facility from the Distribution System for later redelivery of such energy, net of Generating Facility losses, to the Distribution System. Charging Demand does not include the delivery of energy for purposes that are subject to the Distribution Provider's retail tariff.

Cluster Study Process shall mean the interconnection study process set forth in GIP Section 4.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale or storing electricity for later resale, excluding electricity generated or stored during Trial Operation.

Commercial Operation Date of an Electric Generating Unit shall mean the date on which an Electric Generating Unit at a Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the GIA.

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

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confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Construction Activities shall mean actions by the Distribution Provider that result in irrevocable financial commitments for the purchase of major electrical equipment or land for Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer that occur after receipt of the appropriate governmental approvals needed for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

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.

Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities shall have the meaning assigned to it in Attachment J of the Tariff. The currently effective Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities is as provided in Attachment J of the Tariff.

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

Delivery Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, other than Reliability Network Upgrades, identified in the Interconnection Studies to relieve constraints on the ISO Grid. Delivery Network Upgrades may be further classified as Local Delivery Network Upgrades or Area Delivery Network Upgrades.

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

Distribution Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the GIA to the extent necessary.

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

Distribution Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Distribution Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the GIA, including any modifications, additions or upgrades to such facilities and equipment. Distribution

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Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Distribution Service shall mean the wholesale distribution service provided under the Tariff.

Distribution System shall mean those non-ISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide Distribution Service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

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

Distribution Upgrades Charge shall mean the monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Distribution Upgrades, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Distribution Upgrades Cost. The Distribution Upgrades Charge is provided in Section 5 of Appendix A to the GIA.

Distribution Upgrades Completion Date shall mean the date upon which the construction of the Distribution Upgrades is complete and such facilities are successfully tested and ready for service.

Distribution Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Upgrades. The Distribution Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

Effective Date shall mean the date on which the GIA 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 or storage device and its associated plant and apparatus whose electrical output is capable of being separately identified and metered.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Distribution Provider's

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Distribution System, Distribution Provider's Interconnection Facilities or the electric systems of others to which the Distribution Provider's Distribution System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the GIA to possess black start capability.

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

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

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

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

Full Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that could be as large as its Qualifying Capacity (as defined in the ISO Tariff) and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO.

Generating Facility shall mean Interconnection Customer's Electric Generating Unit(s) used for the production and/or storage for later injection of electricity identified in the 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 Electric Generating Units.

Generator Interconnection Agreement (GIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility processed pursuant to the Independent Study Process of the Generator Interconnection Procedures, a *pro forma* version of which is set forth in Appendix 6 to the GIP.

Generator Interconnection Procedures (GIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Generating Facility set forth in Attachment I of the Distribution Provider's Tariff.

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

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

Independent Study Process shall mean the interconnection study process set forth in GIP Section 5.

Independent Study Process Study Agreement shall mean the agreement between the Distribution Provider and the Interconnection Customer for conducting the Interconnection Studies for the proposed Generating Facility under the Independent Study Process.

Initial Synchronization Date shall mean the date upon which the Generating Facility 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 Distribution Provider's Interconnection Facilities to obtain back feed power.

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

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the GIA, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades

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to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Distribution Provider's Distribution System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Distribution Provider'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 Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Charge shall mean the monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 5 of Appendix A to the GIA.

Interconnection Facilities Completion Date shall mean the date upon which the construction of the Distribution Provider's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.

Interconnection Facilities Cost shall mean all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Provider's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 5 of Appendix A to the GIA.

Interconnection Facilities Study shall mean a study conducted by the Distribution Provider for an Interconnection Customer under the Independent Study Process to determine a list of facilities (including Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Distribution Provider's Distribution System. The scope of the study is defined in GIP Section 5.8.2.1.

Interconnection Financial Security shall have the meaning assigned to it in the GIP.

Interconnection Handbook shall mean a handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. Distribution Provider'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 GIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this GIA shall govern.

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

Interconnection Service shall mean the service provided by the Distribution Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Distribution Provider's Distribution System and enabling it to receive, or deliver for the Charging Demand, electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the GIA and, if applicable, the Distribution Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection System Impact Study and the Interconnection Facilities Study described in Section 5.8.1 and Section 5.8.2 of the GIP.

Interconnection System Impact Study shall mean an engineering study conducted by the Distribution Provider for an Interconnection Customer under the Independent Study Process that evaluates the impact of the proposed interconnection on the safety and reliability of Distribution Provider's Distribution System and, if applicable, an Affected System. The scope of the study is defined in GIP Section 5.8.1.1.

IRS shall mean the Internal Revenue Service.

ISO shall mean the California Independent System Operator Corporation, a state-chartered, nonprofit, corporation that controls certain transmission facilities of all Participating Transmission Owners and dispatches certain generating units and loads.

ISO Grid shall mean the system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the ISO's operational control.

ISO Tariff shall mean the California Independent System Operator Corporation Operating Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time, and accepted by the FERC.

ISO's Generator Interconnection Procedures (ISO Tariff GIP) shall mean the procedures included in Appendix Y of the ISO Tariff to interconnect a Generating Facility directly to the ISO Grid, as such procedures may be modified from time to time, and accepted by the Commission.

ITCC (Income Tax Component of Contribution) shall have the meaning assigned to it in Attachment J of the Tariff.

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Local Deliverability Constraint shall mean a Transmission System operating limit that would be exceeded if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to one or more additional generating facilities interconnecting to the ISO Grid in a specific local area, and that is not an Area Deliverability Constraint.

Local Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve a Local Deliverability Constraint.

Local Delivery Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Local Delivery Network Upgrades constructed and owned by the Distribution Provider. The Local Delivery Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

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

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

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

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

Network Upgrades shall mean Delivery Network Upgrades and Reliability Network Upgrades.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the GIA or its performance.

Off-Peak Deliverability Assessment shall mean the technical study performed under Section 4.5.4.2.2 of the GIP.

On-Peak Deliverability Assessment shall mean the technical study performed under Section 4.5.4.2.1 of the GIP.

One-Time Cost shall mean all costs determined by the Distribution Provider to be associated with the installation of the Distribution Provider's Interconnection Facilities,

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Distribution Upgrades, Reliability Network Upgrades, or Delivery Network Upgrades which are not capitalized. The One-Time Cost is provided in Section 5 of Appendix A to the GIA.

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.

Option (A) Generating Facility shall mean a Generating Facility for which the Interconnection Customer has selected Option (A) as the deliverability option under GIP Section 4.6.2.

Option (B) Generating Facility shall mean a Generating Facility for which the Interconnection Customer has selected Option (B) as the deliverability option under GIP Section 4.6.2.

Partial Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that cannot be larger than a specified amount of its Qualifying Capacity (as defined in the ISO Tariff), and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO.

Participating Transmission Owner shall mean an entity which (i) owns, operates, and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities and (ii) has transferred to the ISO operational control of such facilities and/or entitlements to be made part of the ISO Grid.

Party or Parties shall mean Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the GIA, where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the GIA, where the Interconnection Facilities connect to the Distribution Provider's Distribution System.

Pre-Construction Activities shall mean the actions by the Distribution Provider, other than those required by an Engineering and Procurement Agreement under Section 8 of the GIP, undertaken prior to Construction Activities in order to prepare for the construction of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer, including, but not limited to, preliminary engineering, permitting activities, environmental analysis, or other activities specifically needed to obtain governmental approvals for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

Queue Cluster shall mean a set of Interconnection Requests in an interconnection study cycle processed pursuant to the Cluster Study Process.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the GIA, 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.

Reliability Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, necessary to interconnect one or more Generating Facility(ies) safely and reliably to the ISO Grid, which would not have been necessary but for the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which system operating limits cannot be adequately mitigated through the ISO's congestion management, operating procedures, or special protection systems based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with the Applicable Reliability Council's practice and Applicable Reliability Standards, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.

Reliability Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

Remedial Action Scheme (RAS) shall mean a scheme designed to detect predetermined system conditions and automatically take corrective actions that may include, but are not limited to, adjusting or tripping generation.

Results Meeting shall mean the meetings among the Distribution Provider, the Interconnection Customer, and, if applicable, the ISO to discuss either the results of the Interconnection System Impact Study as set forth in Section 5.8.1.4 of the GIP or the results of the Interconnection Facilities Study as set forth in Section 5.8.2.4 of the GIP.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Distribution Provider, and if applicable, 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.

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

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Distribution Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the GIA.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Distribution Provider's Distribution System, the ISO 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 Distribution Provider's Distribution System, the ISO Grid or on other delivery systems or other generating systems to which the Distribution Provider's Distribution System and Transmission System is directly connected.

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

Tax Security shall mean the Interconnection Customer's provision of security with respect to the Interconnection Customer's tax indemnification obligations, provided in accordance with Article 5.17.3. The Tax Security is provided in Section 5 of Appendix A to the GIA.

TP Deliverability shall mean the capability, measured in MW, of the ISO Grid as modified by transmission upgrades and additions modeled or identified in the annual Transmission Plan to support the interconnection with Full Capacity Deliverability Status or Partial Capacity Deliverability Status of additional Generating Facilities in a specified geographic or electrical area of the ISO Grid.

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

Transmission Plan shall mean the report prepared by the ISO on an annual basis pursuant to Section 24 of the ISO Tariff, which documents the outcome of the ISO's transmission planning process by which the ISO assesses the ISO Grid.

Transmission System shall mean those transmission facilities owned by the Distribution Provider that have been placed under the ISO's Operational Control and are part of the ISO Grid.

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

Uncontrollable Force shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force event does not include acts of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This GIA 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. Distribution Provider shall promptly file this GIA 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 GIA shall remain in effect for a period of _____ years from the Effective Date (term specified in individual agreements to be ten (10) years or such other longer period as the Interconnection Customer may request) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

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

2.3.2 Default. Either Party may terminate this GIA in accordance with Article 17.

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

2.3.4 Notwithstanding Articles 2.3.1 and 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 GIA, which notice has been accepted for filing by

FERC, and the Interconnection Customer has fulfilled its termination cost obligations under Article 2.4.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this GIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this GIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Distribution Provider's Interconnection Facilities that have not yet been constructed or installed, Distribution Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Distribution Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Distribution Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Distribution Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Distribution Provider to cancel any pending orders of or return such materials, equipment, or contracts.

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

2.4.2 Distribution Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Distribution Provider 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 GIA, 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 GIA, the Parties will take all appropriate steps to disconnect the Generating Facility from the Distribution 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 GIA or such non-terminating Party otherwise is responsible for these costs under this GIA.
- 2.6 Survival.** This GIA 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 GIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this GIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this GIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

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

Article 4. Scope of Service

- 4.1 Interconnection Service.** Interconnection Service allows Interconnection Customer to connect the Generating Facility to the Distribution System and be eligible to deliver, or receive for the Charging Demand using the capacity of the Distribution System. To the extent Interconnection Customer wants to receive Interconnection Service, Distribution Provider shall construct facilities identified in Appendices A and C that the Distribution Provider is responsible to construct.
- 4.1.1 Distribution Service Implications.** Interconnection Customer will be eligible to deliver power from the Generating Facility to Distribution Provider's Distribution System or receive power from the Distribution System for the Charging Demand pursuant to the Tariff. The Interconnection Customer may not deliver or receive power over the Distribution Provider's Distribution System absent procuring Distribution Service. The Interconnection Customer must apply for Distribution Service pursuant to Section 15.2 of the Tariff and meet the conditions specified in Section 14 of the Tariff to be eligible for Distribution Service.
- 4.1.2 Transmission Service Implications.** Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver or receive power to or from the Generating Facility to any particular load or resource on the ISO Grid without incurring congestion costs. In the event of

transmission constraints on the ISO Grid, Interconnection Customer's Generating Facility shall be subject to the applicable congestion management procedures in the ISO Tariff in the same manner as all other resources. The Interconnection Customer shall be solely responsible for completing all of the necessary arrangements required under the ISO Tariff to be eligible to schedule the output and Charging Demand of its resource.

- 4.2 Provision of Service.** Distribution Provider shall provide Interconnection Service for the Generating Facility at the Point of Interconnection.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this GIA 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 GIA for its compliance therewith. If such Party is a Distribution Provider or Distribution Owner, then that Party shall amend the GIA and submit the amendment to FERC for approval.
- 4.4 No Distribution Service or Transmission Service.** The execution of this GIA does not constitute a request for, nor the provision of, Distribution Service under the Tariff or any transmission service under the ISO Tariff, and does not convey any right to the Interconnection Customer to deliver electricity generated or stored for later injection using the Distribution System.
- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this GIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 9.6.3.
- 4.6 TP Deliverability.** To the extent that an Interconnection Customer is eligible for and has been allocated TP Deliverability pursuant to Section 8.9 of Appendix DD of the ISO Tariff, the Interconnection Customer's retention of such allocated TP Deliverability shall be contingent upon satisfying the obligations set forth in Section 4.6.13 of the GIP. In the event that the Interconnection Customer does not retain allocated TP Deliverability with regard to any portion of the Generating Facility, such portion of the Generating Facility shall be deemed to receive Interconnection Service under this GIA as Energy Only Deliverability Status (as such term is defined in the ISO Tariff).

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

- 5.1 Options.** Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option, Alternate Option, or, if eligible in accordance with ISO Tariff requirements, Merchant Option, set forth below for completion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades as set forth in Appendix A, Interconnection Facilities,

Distribution Upgrades, and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.

5.1.1 Standard Option. Distribution Provider shall design, procure, and construct Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, using Reasonable Efforts to complete Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades by the dates set forth in Appendix B, Milestones. Distribution Provider 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 Distribution Provider reasonably expects that it will not be able to complete Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades by the specified dates, Distribution Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

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

If Distribution Provider subsequently fails to complete Distribution Provider's Interconnection Facilities and Distribution Upgrades 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 or operation in charging mode, 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; Distribution Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. If the dates designated by Interconnection Customer are not acceptable to Distribution Provider, Distribution Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Distribution Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand

Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option. This provision only applies to Generating Facilities larger than 20 MW.

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

5.1.5 Merchant Option. In addition to any Option to Build set forth in Article 5.1.3 of this GIA, an Interconnection Customer having an Option (B) Generating Facility may elect, pursuant to the ISO Tariff, to have a party other than the Distribution Provider construct some or all of the Local Delivery Network Upgrades and Area Delivery Network Upgrades for which the Interconnection Customer has the obligation to fund and which are not subject to reimbursement. Such Local Delivery Network Upgrades and Area Delivery Network Upgrades will be constructed and incorporated into the ISO Grid pursuant to the provisions for merchant transmission facilities in ISO Tariff Sections 24.4.6.1 and 36.11.

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

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

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

- (3) Distribution Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (4) prior to commencement of construction, Interconnection Customer shall provide to Distribution Provider a schedule for construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Distribution Provider;
- (5) at any time during construction, Distribution Provider shall have the right to gain unrestricted access to Distribution Provider'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 Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Distribution Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (7) Interconnection Customer shall indemnify Distribution Provider for claims arising from Interconnection Customer's construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;
- (8) Interconnection Customer shall transfer control of Distribution Provider's Interconnection Facilities to the Distribution Provider and shall transfer Operational Control of Stand Alone Network Upgrades to the ISO;
- (9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Distribution Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Distribution Provider;
- (10) Distribution Provider shall approve and accept for operation and maintenance Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and
- (11) Interconnection Customer shall deliver to Distribution Provider "as-built" drawings, information, and any other documents that are reasonably required by Distribution Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Distribution Provider.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network

Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Distribution Provider 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 Distribution Provider to Interconnection Customer in the event that Distribution Provider does not complete any portion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, in the aggregate, for which Distribution Provider 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades for which Distribution Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Distribution Provider to Interconnection Customer as just compensation for the damages caused to 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 GIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Distribution Provider's failure to meet its schedule.

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

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with Applicable Reliability Standards, the guidelines and procedures established by the Applicable Reliability Council, and in accordance with the provisions of Section 4.6.5.1 of the ISO Tariff. Distribution Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Generating Facility. If the Generating Facility's Power System

Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Distribution Provider and Distribution Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators of the induction type.

5.5 Equipment Procurement. If responsibility for construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades is to be borne by Distribution Provider, then Distribution Provider shall commence design of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Distribution Provider has completed the Interconnection Studies pursuant to the Independent Study Process Study Agreement;

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

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

5.6 Construction Commencement. Distribution Provider shall commence construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades;

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

5.6.4 Interconnection Customer has provided security to Distribution Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

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

Customer will provide written notice to Distribution Provider of such later date upon which the completion of Distribution Provider's Interconnection Facilities will be required.

- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Distribution Provider's Distribution System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9 Limited Operation.** If any of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Generating Facility, Distribution Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this GIA. Distribution Provider shall permit Interconnection Customer to operate the Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.
- 5.10 Interconnection Customer's Interconnection Facilities ('ICIF').** Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.
- 5.10.1 Interconnection Customer's Interconnection Facility Specifications.** Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Distribution Provider 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. Distribution Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Distribution Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.
- 5.10.2 Distribution Provider's Review.** Distribution Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Distribution Provider, in accordance with Good Utility Practice, to ensure that the

ICIF are compatible with the technical specifications, operational control, and safety requirements of Distribution Provider.

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

5.10.4 Interconnection Customer to Meet Requirements of the Distribution Provider’s Interconnection Handbook. The Interconnection Customer shall comply with the Distribution Provider’s Interconnection Handbook. In the event of a conflict between the terms of this GIA and the terms of the Distribution Provider’s Interconnection Handbook, the terms in this GIA shall govern.

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

Distribution Provider will obtain control for operating and maintenance purposes of Distribution Provider'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 Generating Facility with the Distribution System; (ii) operate and maintain the Generating Facility, the Interconnection Facilities and the Distribution System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this GIA. 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 Distribution Provider or Distribution Owner's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Distribution Provider or Distribution Owner, Distribution Provider or Distribution Owner shall at 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 Distribution Provider or Distribution Owner's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades upon such property.
- 5.14 Permits.** Distribution Provider or Distribution Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Distribution Provider or Distribution Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Distribution Provider's own, or an Affiliate's generation.
- 5.15 Early Construction of Base Case Facilities.** Interconnection Customer may request Distribution Provider to construct, and Distribution Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Distribution Upgrades or Network Upgrades required for Interconnection Customer to be interconnected to the Distribution System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.
- 5.16 Suspension.** Interconnection Customer reserves the right, upon written notice to Distribution Provider, to suspend at any time all work by Distribution Provider associated with the construction and installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades required under this GIA, other than Network Upgrades identified as common to multiple generating facilities, with the condition that Distribution System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Distribution Provider's safety and reliability

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criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Distribution Provider (i) has incurred pursuant to this GIA 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 Distribution System and Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Distribution Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Distribution Provider shall obtain Interconnection Customer's authorization to do so.

Network Upgrades common to multiple generating facilities, and to which the Interconnection Customer's right of suspension shall not extend, consist of Network Upgrades identified for:

- i. Generating facilities which are the subject of all Interconnection Requests made prior to the Interconnection Customer's Interconnection Request; or
- ii. Generating facilities which are the subject of Interconnection Requests within the Queue Cluster where the Interconnection Customer's request for Full Capacity Deliverability Status or Partial Capacity Deliverability Status is assessed; or
- iii. Generating facilities that are the subject of Interconnection Requests that were made after the Interconnection Customer's Interconnection Request but no later than the date on which the Interconnection Customer's Interconnection Facilities Study report was issued, and have been modeled in the Base Case at the time the Interconnection Customer seeks to exercise its suspension rights under this section.

Distribution Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Distribution Provider required under this GIA pursuant to this Article 5.16, and has not requested Distribution Provider to recommence the work or has not itself recommenced work required under this GIA on or before the expiration of three (3) years following commencement of such suspension, this GIA shall be deemed terminated and the Interconnection Customer's responsibility for costs will be determined in accordance with Article 2.4 of this GIA. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Distribution Provider, if no effective date is specified. The maximum three-year period shall apply to the projected Commercial Operation Date for the Generating Facility identified in the initial Interconnection Request, without regard to any subsequent changes to the dates set forth in the Interconnection Request, without regard to the milestone schedule dates set forth in Appendix B hereto or any changes to those dates, and without regard to any other scheduled dates for action affecting the Generating Facility, Interconnection Facilities, or Network Upgrades or any changes to those dates.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Distribution Provider for the installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an 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 2016-36, Interconnection Customer represents and covenants that (i) ownership of the electricity generated or delivered from storage at the Generating Facility will pass to another party prior to the transmission of the electricity on the Distribution System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Distribution Provider for Distribution Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Distribution Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 2016-36, is reasonably expected to carry only a de minimis amount of electricity in the direction of the 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 2016-36. 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 Distribution Provider's request, Interconnection Customer shall provide Distribution Provider with a report from an independent engineer confirming its representation in clause (iii), above. Distribution Provider represents and covenants that the cost of Distribution Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

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

Distribution Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this GIA unless (i) Distribution Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Distribution Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Distribution Provider to report payments or property transfers as income subject to taxation; provided, however, that Distribution Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Distribution Provider (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. Interconnection Customer shall reimburse Distribution Provider 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 Distribution Provider 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 (10) year testing period and the applicable statute of limitation, as it may be extended by Distribution Provider 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. 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 Interconnection Customer will pay Distribution Provider, in addition to the amount paid for the Interconnection Facilities, Distribution Upgrades, and Network Upgrades, an amount equal to (1) the current taxes imposed on Distribution Provider ("Current Taxes") on the excess of (a) the gross income realized by Distribution Provider as a result of payments or property transfers made by Interconnection Customer to Distribution Provider under this GIA (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 Distribution Provider 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 Distribution Provider's composite federal and state tax rates at the time the payments or property transfers are received and Distribution Provider 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 Distribution Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Distribution Provider's current

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

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Distribution Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Distribution Provider under this GIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Distribution Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

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

5.17.6 Subsequent Taxable Events. If, within ten (10) years from the date on which the relevant Distribution Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, or (ii) a "disqualification event" occurs within the meaning of IRS Notice 2016-36, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Distribution Provider in the form of a nonrefundable cash payment, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 2016-36.

5.17.7 Contests. In the event any Governmental Authority determines that Distribution Provider's receipt of payments or property constitutes income that is subject to taxation, Distribution Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Distribution Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Distribution Provider 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. Distribution Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Distribution Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Distribution Provider on a periodic basis, as invoiced by Distribution Provider, Distribution Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Distribution Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Distribution Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully-grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Distribution Provider for the tax at issue in the contest.

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

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

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

(iii) with respect to any such taxes paid by Distribution Provider, any refund or credit Distribution Provider 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 Distribution Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Distribution Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Distribution Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Distribution Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Distribution Provider'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, Distribution Upgrades, and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

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

5.17.10 Distribution Owners Who Are Not Distribution Providers. If Distribution Provider is not the same entity as the Distribution Owner, then (i) all references in

this Article 5.17 to Distribution Provider shall be deemed also to refer to and to include the Distribution Owner, as appropriate, and (ii) this GIA shall not become effective until such Distribution Owner shall have agreed in writing to assume all of the duties and obligations of Distribution Provider under this Article 5.17 of this GIA.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this GIA is intended to adversely affect any Distribution Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party 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 Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party 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 Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Distribution Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Distribution System, Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

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 GIA and Good Utility Practice.

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Distribution Provider makes to Distribution Provider's Interconnection Facilities or the Distribution System to facilitate the interconnection of a third party to Distribution Provider's Interconnection Facilities or the Distribution System, or to provide transmission service to a third party under Distribution Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions,

modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

5.19.4 Permitted Reductions in Output Capacity (MW Generating Capacity) of the Generating Facility. An Interconnection Customer may reduce the MW capacity of the Generating Facility by up to five percent (5%) for any reason during the time period between the Effective Date of this GIA and the Commercial Operation Date. The five percent (5%) value shall be established by reference to the MW generating capacity as set forth in Appendix C.

The Distribution Provider will consider an Interconnection Customer's request for a reduction in the MW generating capacity greater than five percent (5%) under limited conditions where the Interconnection Customer reasonably demonstrates to the Distribution Provider that the MW generation capacity reduction is warranted due to reasons beyond the control of the Interconnection Customer. Reasons beyond the control of the Interconnection Customer shall consist of any one or more of the following:

- (i) The Interconnection Customer's failure to secure required permits and other governmental approvals to construct the Generating Facility at its total MW generating capacity as specified in Appendix C after the Interconnection Customer has made diligent effort to secure such permits or approvals;
- (ii) The Interconnection Customer's receipt of a written statement from the permitting or approval authority (such as a draft environmental impact report) indicating that construction of a Generating Facility of the total MW generating capacity size specified in Appendix C will likely result in disapproval due to a significant environmental or other impact that cannot be mitigated;
- (iii) Failure to obtain the legal right of use of the full site acreage necessary to construct and/or operate the total MW generating capacity size for the entire Generating Facility specified in Appendix C, after the Interconnection Customer has made a diligent attempt to secure such legal right of use. This subsection (iii) applies only where an Interconnection Customer has previously demonstrated and maintained its demonstration of Site Exclusivity prior to invoking this subsection as a reason for downsizing.

If relying on subsection (i) or (ii) above, in order to be eligible for a capacity reduction greater than five percent (5%), the Interconnection Customer must also demonstrate to the Distribution Provider that a reduction of MW generating capacity of the Generating Facility to the reduced size that the Interconnection

Customer proposes will likely overcome the objection of the permitting/approving authority or otherwise cause the permitting/approving authority to grant the permit or approval. The Interconnection Customer may satisfy this demonstration requirement by submitting to the Distribution Provider either a writing from the permitting/approving authority to this effect or other evidence of a commitment by the permitting/approving authority that the MW capacity reduction will remove the objections of the authority to the permit/approval application.

If relying on subsection (iii) above, the Interconnection Customer must also reasonably demonstrate to the Distribution Provider that the proposed reduced-capacity Generating Facility can be constructed on the site over which the Interconnection Customer has been able to obtain legal rights of use.

Upon such demonstration to the reasonable satisfaction of the Distribution Provider, the Distribution Provider will permit such reduction. No permitted reduction of MW generation capacity under this Article shall operate to diminish the Interconnection Customer's cost responsibility for Network Upgrades or to diminish the Interconnection Customer's right to repayment for financing of Network Upgrades under this GIA.

5.20 Annual Reassessment Process. In accordance with Section 7.4 of Appendix DD of the ISO Tariff, the ISO will perform an annual reassessment, as part of a Queue Cluster interconnection study cycle, in which it will update certain base case data prior to beginning the Phase II Interconnection Studies (as such term is defined in the ISO Tariff). As set forth in Section 7.4 of Appendix DD of the ISO Tariff, the ISO may determine through this assessment that Delivery Network Upgrades already identified and included in executed generator interconnection agreements should be modified in order to reflect the current circumstances of interconnection customers in the queue, including any withdrawals therefrom, and any additions and upgrades approved in the ISO's most recent transmission planning process cycle. To the extent that this determination modifies the scope or characteristics of, or the cost responsibility for, any Delivery Network Upgrades set forth in Appendix A to this GIA, such modification(s) will be reflected through an amendment to this GIA.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Distribution Provider shall test Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades and Interconnection Customer shall test the Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. The Interconnection Customer shall not commence initial parallel operation of an Electric Generating Unit with the Distribution Provider's Distribution System until the Distribution Provider provides prior written approval as set

forth in Appendix B, Milestones, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit. Interconnection Customer shall generate or receive test energy at the Generating Facility only if it has arranged for the delivery or receipt 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 Generating Facility with the Distribution System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other 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 GIA.

Article 7. Metering

- 7.1 General.** Each Party shall comply with any Applicable Reliability Standards and the Applicable Reliability Council requirements. The Interconnection Customer shall comply with the provisions of the ISO Tariff regarding metering, including Section 10 of the ISO Tariff. Unless otherwise agreed by the Parties, Distribution Provider may install additional Metering Equipment at the Point of Interconnection prior to any operation of the Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Generating Facility shall be measured at or, at Distribution Provider's option, compensated to, the Point of Interconnection. Interconnection Customer's access to meter data shall be provided in accordance with the ISO Tariff. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check the ISO-pooled meters or Distribution Provider'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 GIA, except in the case that no other means are available on a temporary basis at the option of the Distribution Provider. The check meters shall be subject at all reasonable times to inspection and examination by Distribution Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.
- 7.3 Distribution Provider Retail Metering.** Distribution Provider may install retail revenue quality meters and associated equipment, pursuant to the Distribution Provider's applicable retail tariffs. Metering for Generating Facilities which include storage, and which utilize the Distribution System for charging the storage device pursuant to the Tariff, shall be configured to meter the retail load separately from the Charging Demand (as required in Article 7.4), and may require, but not be limited to, the installation of multiple meters and associated equipment as specified in Appendix A of the GIA.
- 7.4 Requirements for Storage.** Distribution Provider shall, at the Interconnection Customer's expense, install, own, operate, test and maintain meters and associated metering equipment required to meter the Charging Demand of Generating Facilities that include storage.

Article 8. Communications

- 8.1 Interconnection Customer Obligations.** Interconnection Customer shall maintain satisfactory operating communications with Distribution Provider's Distribution System dispatcher or representative designated by Distribution Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Distribution Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Generating Facility to the location(s) specified by Distribution Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.
- 8.2 Remote Terminal Unit.** Prior to the Initial Synchronization Date of the Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by

Distribution Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Distribution Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Distribution Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Distribution Provider.

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

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

Article 9. Operations

- 9.1 General.** Each Party shall comply with Applicable Reliability Standards and the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.
- 9.2 Control Area Notification.** At least three months before Initial Synchronization Date, Interconnection Customer shall notify Distribution Provider in writing of the Control Area in which the Generating Facility will be located. If Interconnection Customer elects to locate the Generating Facility in a Control Area other than the Control Area in which the Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this GIA, 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 Generating Facility in the other Control Area.
- 9.3 Distribution Provider Obligations.** Distribution Provider shall cause the Distribution System and Distribution Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this GIA. Distribution Provider may provide operating instructions to Interconnection Customer consistent with this GIA and Distribution Provider's operating protocols and procedures as they may change from time to time. Distribution Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** Interconnection Customer shall at its own expense operate, maintain and control the Generating Facility and Interconnection

Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this GIA. Interconnection Customer shall operate the Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this GIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this GIA.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Generating Facility to Distribution Provider's Distribution System.

9.6 Reactive Power.

9.6.1 Power Factor Design Criteria.

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation, or equivalent location when there is not a generator substation, at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established a different power factor range that applies to all non-synchronous generators in the Control Area on a comparable basis. This power factor range standard shall be dynamic and can be met 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet submitted the initial posting of Interconnection Financial Security as of the effective date of the Final Rule establishing this requirement (Order No. 827).

Newly interconnecting non-synchronous generators that have submitted the initial posting of Interconnection Financial Security and have not executed a GIA, or requested the filing of an unexecuted GIA, as of the effective date of the Final Rule, will be required to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, if an Interconnection Study shows that such a requirement is necessary to ensure safety or reliability.

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Generating Facility with the Distribution System, Distribution Provider shall require Interconnection Customer to operate the Generating Facility to produce or absorb reactive power within the design limitations of the Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Distribution Provider's voltage schedules shall treat all sources of reactive power interconnected with the Distribution System in an equitable and not unduly discriminatory manner and consistent with the applicable requirements of the ISO Tariff. Distribution Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Distribution System and Transmission System. Interconnection Customer shall operate the Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the Distribution Provider and the ISO.

9.6.2.1 Governors and Regulators. Whenever the Generating Facility is operated in parallel with the Distribution System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Generating Facility with its speed governors and voltage regulators in automatic operation. If the Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Distribution Provider and the ISO, and ensure that the Electric Generating Unit operates as specified in Article 9.6.2 through manual operation and that such Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Generating Facility to disconnect automatically or instantaneously from the Distribution System or trip any generating unit comprising the 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. Payment to Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Generating Facility when the ISO requests Interconnection Customer to operate its Generating Facility outside the range specified in Article 9.6.1 will be made by the ISO in accordance with the applicable provisions of the ISO Tariff.

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

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

9.7.1.2 Outage Schedules. Interconnection Customer shall submit its planned maintenance schedules for the Generating Facility to Distribution Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Distribution Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Distribution System and Transmission System. Distribution Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Distribution Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities. Distribution Provider shall have no obligation to pay Interconnection Customer any costs the Interconnection Customer incurs as the result of being directed by the ISO to reschedule maintenance.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the 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.

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

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

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

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Generating Facility, Interconnection Facilities, and the Distribution System and Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Frequency and Voltage Ride Through. The Interconnection Customer shall ensure "frequency ride through" capability and "voltage ride through" capability of the Generating Facility. The Interconnection Customer shall enable these capabilities such that the Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Distribution Provider and any Affected Systems for a defined under-frequency or over-frequency condition,

or an under-voltage or over-voltage condition, as tested pursuant to Article 6 of this GIA. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Control Area on a comparable basis.

9.7.4 System Protection and Other Control Requirements.

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

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Applicable Reliability Standards, Applicable Reliability Council criteria, and Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party'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 Interconnection Customer's units.

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

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

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- 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 Distribution Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Distribution Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Distribution Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.
- 9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Generating Facility or Distribution Provider's Distribution System and Transmission System 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.
- 9.11 Limitations on Charging for Storage.** Generating Facilities that include storage may be subject to limits on the amount of Charging Capacity, the times during which the storage component may charge from the Distribution System, or other limitations on Charging Demand as specified in Appendix C of the GIA.

Article 10. Maintenance

- 10.1 Distribution Provider Obligations.** Distribution Provider shall maintain the Distribution System, Transmission System and Distribution Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this GIA.
- 10.2 Interconnection Customer Obligations.** Interconnection Customer shall maintain the Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this GIA.
- 10.3 Coordination.** The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Generating Facility and the Interconnection Facilities.
- 10.4 Secondary Systems.** Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables,

conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

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

Article 11. Performance Obligation

- 11.1 Interconnection Customer Interconnection Facilities.** Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.
- 11.2 Distribution Provider's Interconnection Facilities.** Distribution Provider or Distribution Owner shall design, procure, construct, install, own and/or control the Distribution Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer. The Interconnection Customer shall be responsible for funding all costs related to Distribution Provider's Interconnection Facilities. The costs set forth in Appendix A are estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for the Distribution Provider's Interconnection Facilities. The Interconnection Customer shall be responsible for the actual costs related to Distribution Provider's Interconnection Facilities.
- 11.3 Network Upgrades and Distribution Upgrades.** Distribution Provider or Distribution Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, except for any Stand Alone Network Upgrades and Merchant Network Upgrades (as such term is defined in the ISO Tariff).
- 11.3.1 Distribution Upgrades.** The Interconnection Customer shall be responsible for funding all costs related to Distribution Upgrades. The costs set forth in Appendix A are estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for

Distribution Upgrades. The Interconnection Customer shall be responsible for the actual costs related to Distribution Upgrades.

11.3.2 Reliability Network Upgrades. The Interconnection Customer shall be responsible for funding the costs of the Reliability Network Upgrades up to the maximum cost responsibility limit established for the Interconnection Customer in accordance with Section 5.8.2 of the GIP for such facilities. The costs set forth in Appendices A and G are estimates only. The Interconnection Customer shall be responsible for its share of the actual costs of Reliability Network Upgrades up to its maximum cost responsibility limit. The Interconnection Customer may be entitled to repayment of all or a portion of the costs it funded for Reliability Network Upgrades in accordance with Article 11.4.1.

11.3.3 Local Delivery Network Upgrades. If the Interconnection Customer has an Option (A) Generating Facility, or if the Interconnection Customer has an Option (B) Generating Facility and did not select the Merchant Option for the Local Delivery Network Upgrades, then the Interconnection Customer shall be responsible for funding its share of the costs of Local Delivery Network Upgrades up to the maximum cost responsibility limit established for the Interconnection Customer in accordance with Section 4.6 of the GIP for such facilities. The costs set forth in Appendices A and G are estimates only. The Interconnection Customer shall be responsible for its share of the actual costs of Local Delivery Network Upgrades up to its maximum cost responsibility limit. The Interconnection Customer may be entitled to repayment for the costs it funded for Local Delivery Network Upgrades in accordance with Article 11.4.1.

11.3.4 Area Delivery Network Upgrades. If the Interconnection Customer has an Option (A) Generating Facility, the Interconnection Customer will not be responsible for funding the costs of any Area Delivery Network Upgrades. If the Interconnection Customer has an Option (B) Generating Facility and did not select the Merchant Option for the Area Delivery Network Upgrades, then the Interconnection Customer shall be responsible for funding the costs of Area Delivery Network Upgrades. The costs set forth in Appendices A and G are advisory estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for Area Delivery Network Upgrades. The Interconnection Customer shall be responsible for the actual costs of Area Delivery Network Upgrades. The Interconnection Customer will not be entitled to repayment for the costs it funded for Area Delivery Network Upgrades in accordance with Article 11.4.1.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. An Interconnection Customer that has been tendered a Generator Interconnection Agreement before July 29, 2016 may be entitled, in accordance with this Article 11.4.1, to a repayment for the Interconnection Customer's contribution to the cost of Network

Upgrades commencing on the Commercial Operation Date of its Generating Facility.

An Interconnection Customer that has not been tendered a Generator Interconnection Agreement before July 29, 2016 may be entitled, in accordance with this Article 11.4.1, to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service on or before the Commercial Operation Date of its Generating Facility, commencing on the Commercial Operation Date of its Generating Facility. Repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service after the Commercial Operation Date of its Generating Facility shall, for each of these Network Upgrades, commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) ninety (90) Calendar Days after the Network Upgrade is placed into service.

Interconnection Customer may be entitled to a cash repayment based on the amount paid to Distribution Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, as follows:

- a) Reliability Network Upgrades.** The Interconnection Customer shall be entitled to a repayment of the amount the Interconnection Customer paid to the Distribution Provider for Reliability Network Upgrades as set forth in Appendix A and G, up to a maximum of \$60,000 per MW of Generating Facility capacity. For purposes of this determination, the Generating Facility capacity will be based on the capacity of the Interconnection Customer's Generating Facility at the time it achieves Commercial Operation. However, to the extent that such repayment does not cover all of the costs of Interconnection Customer's Reliability Network Upgrades, the Interconnection Customer may receive Congestion Revenue Rights (as such term is defined in the ISO Tariff) from the ISO in accordance with the ISO Tariff for that portion of its Reliability Network Upgrades that are not covered by cash repayment.
- b) Local Delivery Network Upgrades.**

 - i. If the Interconnection Customer has an Option (A) Generating Facility, the Interconnection Customer shall be entitled to a repayment equal to the total amount the Interconnection Customer paid to the Distribution Provider for the costs of Local Delivery Network Upgrades.
 - ii. If the Interconnection Customer has an Option (B) Generating Facility and has been allocated TP Deliverability and continues to be eligible to retain such TP Deliverability pursuant to Appendix DD of the ISO

Tariff, the Interconnection Customer shall be entitled to repayment of a portion of the total amount paid to the Distribution Provider for the costs of Local Delivery Network Upgrades. The repayment amount shall be determined by dividing the amount of TP Deliverability received by the amount of TP Deliverability requested by the Interconnection Customer, and multiplying that percentage by the total amount paid to the Distribution Provider by the Interconnection Customer for Local Delivery Network Upgrades. However, the Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for that portion of its Local Delivery Network Upgrades that are not covered by cash repayment.

- iii. If the Interconnection Customer has an Option (B) Generating Facility and has not been allocated any TP Deliverability pursuant to Appendix DD of the ISO Tariff, the Interconnection Customer shall not be entitled to repayment of the amount paid to the Distribution Provider for the costs of Local Delivery Network Upgrades. However, the Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for the costs of Local Delivery Network Upgrades that are not covered by cash repayment.

- c) **Area Delivery Network Upgrades.** The Interconnection Customer shall not be entitled to repayment of the amount paid to the Distribution Provider for the costs of Area Delivery Network Upgrades. However, the Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for the costs of Area Delivery Network Upgrades that are not covered by cash repayment.

Any repayment for Reliability Network Upgrades and Local Delivery Network Upgrades, as specified above, will be paid to the Interconnection Customer by the Distribution Provider on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Distribution Provider's Tariff and Affected System's Tariff for transmission services with respect to the Generating Facility. 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 pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Distribution Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Distribution Provider and Affected System Operator take one of the following actions no later than five years from the

applicable date as provided for in this Article 11.4.1: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Distribution Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the applicable commencement date.

If the Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Distribution Provider and Affected System Operator 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. Unless Distribution Provider provides, under the GIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this GIA, 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 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 Generating Facility.

11.5 Provision of Interconnection Financial Security. The Interconnection Customer is obligated to provide all necessary Interconnection Financial Security required under Section 5.9 of the GIP in a manner acceptable under Section 5.9 of the GIP.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due 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

GIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within twelve (12) months after completion of the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades, Distribution Provider shall provide an invoice of the final cost of the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Distribution Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this GIA.

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

Article 13. Emergencies

13.1 Definition. "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Distribution System, Distribution Provider's Interconnection Facilities or the Transmission Systems of others to which the Distribution System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the 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 GIA to possess black start capability.

- 13.2 Obligations.** Each Party shall comply with the Emergency Condition procedures of the ISO, NERC, the Applicable Reliability Council, Applicable Reliability Standards, Applicable Laws and Regulations, and any emergency procedures set forth in this GIA.
- 13.3 Notice.** Distribution Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Distribution Provider's Interconnection Facilities, Distribution System or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Distribution Provider promptly when it becomes aware of an Emergency Condition that affects the Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Distribution System, Transmission System or Distribution Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Distribution Provider'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.
- 13.4 Immediate Action.** Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Distribution Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Distribution Provider or otherwise regarding the Distribution System.
- 13.5 Distribution Provider Authority.**
- 13.5.1 General.** Distribution Provider may take whatever actions or inactions with regard to the Distribution System and Transmission System or Distribution Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Distribution System and Transmission System or Distribution Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Distribution Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Generating Facility or Interconnection Customer's Interconnection Facilities. Distribution Provider may, on the basis of technical considerations, require the Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power

output of the Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Distribution Provider's operating instructions concerning Generating Facility real power and reactive power output within the manufacturer's design limitations of the 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. Distribution Provider may reduce Interconnection Service or disconnect the Generating Facility or 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 Distribution Provider can schedule the reduction or disconnection in advance, Distribution Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Distribution Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Distribution Provider. 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 Generating Facility, the Interconnection Facilities, and the Distribution System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice and the GIA and the GIP, Interconnection Customer may take actions or inactions with regard to the Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Generating Facility or 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 Distribution System and Distribution Provider's Interconnection Facilities. Distribution Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability. Neither Party shall be liable to the other 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 GIA 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 GIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, 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 GIA 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 GIA 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 GIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this GIA by giving five (5) Business Days written notice prior to the effective date of the change.

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

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

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party 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. Uncontrollable Force

16.1 Uncontrollable Force.

16.1.1 Economic hardship is not considered an Uncontrollable Force event.

16.1.2 Neither 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 Uncontrollable Force. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of an Uncontrollable Force shall give notice and the full particulars of such Uncontrollable Force 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 Uncontrollable Force, the time and date when the Uncontrollable Force occurred and when the Uncontrollable Force 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 an Uncontrollable Force as defined in this GIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party 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 non-breaching Party shall have the right to declare a Default and terminate this GIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this GIA, 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 GIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this GIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person 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 Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

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

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

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

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

18.3 Insurance. As indicated below, the designated Party shall, at its own expense, maintain in force throughout the period of this GIA, and until released by the other Party, 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:

18.3.1 Workers' Compensation Insurance and Employers' Liability. The Distribution Provider and the Interconnection Customer shall maintain such coverage from the commencement of any Construction Activities providing statutory benefits for workers compensation coverage and coverage amounts of no less than one million dollars (\$1,000,000) for employer's liability for each employee for bodily injury by accident and one million dollars (\$1,000,000) for each employee for bodily injury by disease in accordance with the laws and regulations of the state in which the Point of Interconnection is located. The Distribution Provider shall provide the Interconnection Customer with evidence of such insurance coverage within thirty (30) Calendar Days of any request by the Interconnection Customer. The Interconnection Customer and contractor or any other person acting on Interconnection Customer's behalf shall provide evidence of such insurance thirty (30) Calendar Days prior to entry by any employee or contractor or other person acting on the Interconnection Customer's behalf onto any construction site to perform any work related to the Interconnection Facilities or Generating Facility.

18.3.2 Commercial General Liability Insurance. The Distribution Provider and the Interconnection Customer shall maintain commercial general liability insurance coverage commencing within thirty (30) Calendar Days of the Effective Date of this GIA, including coverage for premises and operations, bodily injury (including death), personal injury, property damage, products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, and (i) liability of Distribution Provider and the Interconnection Customer that would be imposed without the GIA, or (ii) liability assumed by the Distribution Provider and the Interconnection Customer in a contract or agreement that is an “insured contract” under commercial general liability insurance policy. Such insurance shall include no cross liability exclusions or separation of insured clause endorsement exclusions, with minimum limits of one million dollars (\$1,000,000) per occurrence/one million dollars (\$1,000,000) aggregate. If the activities of the Interconnection Customer are being conducted through the actions of an Affiliate, then the Interconnection Customer may satisfy the insurance requirements of this Article 18.3.2 by providing evidence of insurance coverage carried by such Affiliate and showing the Distribution Provider as an additional insured only with respect to the GIA, together with the Interconnection Customer’s written representation to the Distribution Provider that the insured Affiliate is conducting all of the necessary pre-construction work. Within thirty (30) Calendar Days prior to the entry of any person on behalf of the Interconnection Customer onto any construction site to perform work related to the Interconnection Facilities or Generating Facility, the Interconnection Customer shall replace any evidence of Affiliate insurance with evidence of such insurance carried by the Interconnection Customer, naming the Distribution Provider as additional insured only with respect to the GIA.

18.3.3 Business Automobile Liability Insurance. Prior to the entry of any vehicles on any construction site in connection with work done by or on behalf of the Interconnection Customer, the Interconnection Customer shall provide evidence of 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. The Interconnection Customer shall include the Distribution Provider as an additional insured with respect to the GIA on any such policies.

18.3.4 Excess Liability Insurance. Commencing at the time of entry of any person on its behalf upon any construction site for the Distribution Upgrades, Interconnection Facilities, or Generating Facility, the Distribution Provider and the Interconnection Customer shall maintain excess liability insurance over and above the Employers’ Liability, Commercial General Liability, and Business Automobile Liability Insurance coverage, with a minimum limit of one million dollars per MW, of Generating Facility capacity, rounded up to the nearest MW, per occurrence, up to a maximum of twenty million dollars (\$20,000,000) per occurrence/twenty million dollars (\$20,000,000) aggregate. Such insurance

carried by the Distribution Provider shall include the Interconnection Customer as an additional insured with respect to the GIA, and such insurance carried by the Interconnection Customer shall include the Distribution Provider as an additional insured with respect to the GIA. The requirements of Article 18.3.2 and 18.3.4 may be met by any combination of general and excess liability insurance.

- 18.3.5** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies shall include the other Party identified in the articles above, its parent, their subsidiaries, 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 GIA against the Other Party Group. If any Party can reasonably demonstrate that coverage policies containing provisions for insurer waiver of subrogation rights, or advance notice are not commercially available, then the Parties shall meet and confer and mutually determine to (i) establish replacement or equivalent terms in lieu of subrogation or notice or (ii) waive the requirements that coverage(s) include such subrogation provision or require advance written notice from such insurers.
- 18.3.6** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies shall contain provisions that specify that the policies are primary and non-contributory. Each Party shall be responsible for its respective deductibles or self-insured retentions.
- 18.3.7** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess 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 GIA, which coverage may be in the form of extended reporting period coverage if agreed by the Parties.
- 18.3.8** [Not Used.]
- 18.3.9** Thirty (30) Calendar Days prior to the start of any work at the construction site related to Interconnection Facilities or Generating Facility under this GIA, 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 a certificate of insurance for all insurance required in this GIA, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** Notwithstanding the foregoing, each Party may self-insure (a) to meet the minimum insurance requirements of Article 18.3.1, to the extent that it maintains a self-insurance program and is a qualified self-insurer within the state in which the Point of Interconnection is located, under the laws and regulations of such state; and (b) to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.9 to the extent it maintains a self-insurance program; provided that, such Party is organized under the laws of the United States or a political

subdivision thereof and such Party's rating for its senior unsecured, long-term debt (not supported by third party credit enhancements) or if such Party does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such Party by Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor ("S&P") or Moody's Investor Services, Inc. or its successor ("Moody's") is (i) if rated by S&P and Moody's is rated at least "BBB-" by S&P and "Baa3" by Moody's, or (ii) if rated by only one of S&P or Moody's, rated at least "BBB-" by S&P or "Baa3" by Moody's, and (iii) that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.9. For any period of time that a Party's senior unsecured, long-term debt is unrated by S&P or Moody's, or its unsecured long-term debt or the rating assigned to such Party does not meet the requirements in (i) or (ii), 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 Party 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 greater than \$25,000, including within the scope of coverage of such insurance whether or not such coverage is sought.

Article 19. Assignment

19.1 Assignment. This GIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this GIA 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 GIA; and provided further that Interconnection Customer shall have the right to assign this GIA, without the consent of Distribution Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Interconnection Customer will promptly notify Distribution Provider of any such assignment. Any financing arrangement entered into by 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 Distribution Provider of the date and particulars of any such exercise of assignment right(s), including providing the Distribution Provider 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 GIA 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 GIA 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 GIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Distribution Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

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

Article 22. Confidentiality

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

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

If requested by either Party, the other Party 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 GIA, and for a period of three (3) years after the expiration or termination of this GIA, 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 GIA; or (6) is required, in accordance with Article 22.1.7 of the GIA, 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 GIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

- 22.1.3 Release of Confidential Information.** Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this GIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.
- 22.1.4 Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 22.1.5 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this GIA or its regulatory requirements.
- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by

subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this GIA. 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 GIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party 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 CFR 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 GIA, 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 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this GIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the GIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by

FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR 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, any information that a Party claims is competitively sensitive, commercial or financial information under this GIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this GIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other 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 Party, 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 Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

- 24.1 Information Acquisition.** Distribution Provider and 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 Distribution Provider.** The initial information submission by Distribution Provider shall occur no later than one hundred eighty (180) Calendar

Days prior to Trial Operation and shall include Distribution System and Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Distribution Provider shall provide Interconnection Customer a status report on the construction and installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Generating Facility data requirements contained in Appendix 1 to the GIP. It shall also include any additional information provided to Distribution Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Distribution Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Distribution Provider pursuant to the Interconnection Study Agreement between Distribution Provider and Interconnection Customer, then Distribution Provider will conduct appropriate studies to determine the impact on Distribution Provider Distribution System and Transmission System 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.

- 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" Generating Facility 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 Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Generating Facility to verify proper operation of the Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Generating Facility 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 Generating Facility's terminal or

field voltage are acceptable if information necessary to translate these alternate quantities to actual Generating Facility terminal or field voltages is provided. Generating Facility testing shall be conducted and results provided to Distribution Provider for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, Interconnection Customer shall provide Distribution Provider any information changes due to equipment replacement, repair, or adjustment. Distribution Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Distribution Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

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 GIA; and (ii) carry out its obligations and responsibilities under this GIA. 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 GIA.
- 25.2 Reporting of Non-Uncontrollable Force Events.** Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this GIA for a reason other than an Uncontrollable Force 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 GIA.
- 25.3 Audit Rights.** Subject to the requirements of confidentiality under Article 22 of this GIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this GIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Distribution Provider's efforts to allocate responsibility for interruption or reduction of generation on the Distribution System, and each Party's actions in an Emergency Condition. 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 Party's performance and satisfaction of obligations under this GIA. Each Party shall keep such

accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades shall be subject to audit for a period of twenty-four months following Distribution Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this GIA 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.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, 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.

Article 26. Subcontractors

26.1 General. Nothing in this GIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this GIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this GIA 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 GIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Distribution Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this GIA. Any applicable obligation imposed by this GIA 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

- 27.1 Submission.** In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this GIA 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 GIA.
- 27.2 External Arbitration Procedures.** Any arbitration initiated under this GIA 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 GIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

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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 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 GIA 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 GIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this GIA, to become a Party hereto and to perform its obligations hereunder. This GIA 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 GIA 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 GIA 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 GIA, and it will provide to any Governmental Authority notice of any actions under this GIA that are required by Applicable Laws and Regulations.

Article 29. [Reserved]

Article 30. Miscellaneous

30.1 Binding Effect. This GIA 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 GIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this GIA shall prevail and be deemed the final intent of the Parties.
- 30.3 Rules of Interpretation.** This GIA, 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 GIA, 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 GIA), 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 GIA or such Appendix to this GIA, or such Section to the GIP or such Appendix to the GIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this GIA 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 GIA, 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 GIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this GIA.
- 30.5 No Third Party Beneficiaries.** This GIA 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 GIA to insist, on any occasion, upon strict performance of any provision of this GIA 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 GIA 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 GIA. Termination or Default of this GIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Distribution Provider. Any waiver of this GIA shall, if requested, be provided in writing.

- 30.7 Headings.** The descriptive headings of the various Articles of this GIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this GIA.
- 30.8 Multiple Counterparts.** This GIA 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 GIA by a written instrument duly executed by the Parties.
- 30.10 Modification by the Parties.** The Parties may by mutual agreement amend the Appendices to this GIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this GIA upon satisfaction of all Applicable Laws and Regulations.
- 30.11 Reservation of Rights.** Distribution Provider shall have the right to make a unilateral filing with FERC to modify this GIA 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 GIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this GIA 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 GIA 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 either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

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

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[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____

Name: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Name: _____

Title: _____

Date: _____

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Appendix A to GIA

Description of Interconnection Facilities, Network Upgrades, Distribution Upgrades, Costs and Financial Security

Additional Definitions:

1. Interconnection Facilities:

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

(b) [insert Distribution Provider's Interconnection Facilities]:

2. Network Upgrades:

(a) [insert Stand Alone Network Upgrades]:

(b) [insert Other Network Upgrades]:

3. Distribution Upgrades:

4. Point of Change of Ownership, Point of Interconnection and One-Line Diagram of Interconnection:

5. Cost of Interconnection Facilities, Distribution Upgrades and Network Upgrades, Payment Schedule, On-Going Monthly Charges and Financial Security:

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Appendix B to GIA

Milestones

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Appendix C to GIA

Interconnection Details

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Appendix D to GIA

Security Arrangements Details

Infrastructure security of Distribution System and Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Distribution System reliability and operational security. FERC will expect the ISO, all transmission providers, market participants, and interconnection customers interconnected to the Distribution System and Transmission System 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.

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Appendix E to GIA

Commercial Operation Date

This Appendix E is a part of the GIA between Distribution Provider and Interconnection Customer.

[Date]

[Distribution Provider Address]

Re: _____ Generating Facility

Dear _____:

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

Thank you.

[Signature]

[Interconnection Customer Representative]

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Appendix F to GIA

Addresses for Delivery of Notices and Billings

Notices:

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

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

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

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Appendix G to GIA

**Interconnection Customer's Share of Costs of Network Upgrades for Applicable Project
Group**

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APPENDIX 7 to GIP

**GENERATOR INTERCONNECTION AGREEMENT (GIA)
FOR A GENERATING FACILITY
INTERCONNECTING UNDER THE FAST TRACK PROCESS**

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[Attachment 1](#) – Glossary of Terms

[Attachment 2](#) – Description and Costs of the Generating Facility, Interconnection Facilities, and Metering Equipment

[Attachment 3](#) – One-line Diagram Depicting the Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

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[Attachment 4](#) – Milestones

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[Attachment 6](#) – Distribution Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

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This Interconnection Agreement ("Agreement" or "GIA") is made and entered into _____, by _____ ("Distribution Provider"), and _____ ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

Distribution Provider Information

Distribution Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ E-mail: _____

Interconnection Customer Information

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ E-mail: _____

Interconnection Customer Application No: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

- 1.1 This Agreement shall be used for all Interconnection Requests submitted under the Fast Track Process of the Generator Interconnection Procedures (GIP) contained in Section 6 of Attachment I to the Tariff.
- 1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Generating Facility will interconnect with, and operate in parallel with, the Distribution Provider's Distribution System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between the Distribution Provider and the Interconnection Customer.

1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 The Distribution Provider shall construct, operate, and maintain its Distribution System, Transmission System, Interconnection Facilities, Distribution Upgrades and Network Upgrades in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Distribution Provider and any Affected Systems. The Interconnection Customer shall comply with the Distribution Provider's Interconnection Handbook. In the event of a conflict between the terms of this GIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this GIA shall govern.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership unless otherwise specified in the Attachments to this Agreement. The Distribution Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Distribution Provider's Transmission System, Distribution System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

- 1.5.6 The Distribution Provider shall coordinate with Affected Systems to support the interconnection.
- 1.5.7 The Interconnection Customer shall ensure “frequency ride through” capability and “voltage ride through” capability of its Generating Facility. The Interconnection Customer shall enable these capabilities such that its Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Distribution Provider and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to article 2.1 of this Agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the control area on a comparable basis.
- 1.6 Parallel Operation Obligations
Once the Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for the Distribution Provider's Distribution System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.
- 1.7 Metering
The Interconnection Customer shall be responsible for the Distribution Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.
- 1.8 Reactive Power
- 1.8.1 Power Factor Design Criteria
- 1.8.1.1 Synchronous Generation. The Interconnection Customer shall design its Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established different requirements that apply to all similarly situated synchronous generators in the control area on a comparable basis.
- 1.8.1.2 Non-Synchronous Generation. The Interconnection Customer shall design its Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation, or equivalent location

when there is not a generator substation, at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established a different power factor range that applies to all similarly situated non-synchronous generators in the control area on a comparable basis. This power factor range standard shall be dynamic and can be met 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not executed a GIA, or requested the filing of an unexecuted GIA, as of the effective date of the Final Rule establishing this requirement (Order No. 827).

- 1.8.2 Payment to the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Generating Facility when the ISO or, at the direction of the ISO, the Distribution Provider requests the Interconnection Customer to operate its Generating Facility outside the range specified in article 1.8.1 will be made by the ISO in accordance with the applicable provisions of the ISO Tariff.
- 1.8.3 Payment to the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Generating Facility when, in response to a emergency on the Distribution System, the Distribution Provider requests the Interconnection Customer to operate its Generating Facility outside the range specified in article 1.8.1 shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced. In addition, if the Distribution Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.
- 1.9 Limitations on Charging for Storage. Generating Facilities that include storage may be subject to limits on the amount of Charging Capacity, the times during which the storage component may charge from the Distribution System, or other limitations on Charging Demand as specified in Attachment 5 of the GIA.
- 1.10 When used in this Agreement, terms with initial capitalization that are not defined in the Glossary of Terms in Attachment 1 shall have the meanings specified in the article in which they are used or in the Tariff.

Article 2. Inspection, Testing, Authorization, and Right of Access**2.1 Equipment Testing and Inspection**

2.1.1 The Interconnection Customer shall test and inspect its Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Distribution Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Distribution Provider may, at its own expense, send qualified personnel to the Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Distribution Provider a written test report when such testing and inspection is completed.

2.1.2 The Distribution Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Distribution Provider of the safety, durability, suitability, or reliability of the Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Distribution Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Distribution Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Distribution Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Generating Facility in parallel with the Distribution Provider's Distribution System without prior written authorization of the Distribution Provider. The Distribution Provider will provide such authorization once the Distribution Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

2.3.1 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 construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Generating Facility with the Distribution System; (ii) operate and maintain the Generating Facility, the Interconnection Facilities and the Distribution System; and (iii) disconnect or remove the Access Party’s facilities and equipment upon termination of this GIA. 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.

2.3.2 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Distribution Provider shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of _____ years from the Effective Date (term specified in individual agreements to be ten (10) years or such other longer period as the Interconnection Customer may request) and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

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 Agreement (if required), which notice has been accepted for filing by FERC.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Distribution Provider 20 Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

- 3.3.3 Upon termination of this Agreement, the Generating Facility will be disconnected from the Distribution Provider's Distribution 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 GIA or such non-terminating Party otherwise is responsible for these costs under this GIA.
- 3.3.4 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.
- 3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.
- 3.4 Temporary Disconnection
Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.
- 3.4.1 Emergency Conditions -- "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 Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Distribution System, the Distribution Provider's Interconnection Facilities or any Affected Systems(s); or (3) 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 the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Distribution Provider may immediately suspend interconnection service and temporarily disconnect the Generating Facility. The Distribution Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Generating Facility. The Interconnection Customer shall notify the Distribution Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Distribution Provider's Distribution System or any Affected Systems. 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 both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.
- 3.4.2 Routine Maintenance, Construction, and Repair
The Distribution Provider may interrupt interconnection service or curtail the output or Charging Demand of the Generating Facility and temporarily disconnect the Generating Facility from the Distribution Provider's Distribution System when necessary for routine maintenance, construction, and repairs on the Distribution Provider's Distribution System and/or Transmission System. The Distribution

Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Distribution Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the Distribution Provider may suspend interconnection service to effect immediate repairs on the Distribution Provider's Distribution System and/or Transmission System. The Distribution Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Distribution Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Distribution Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Generating Facility could cause damage to the Distribution Provider's Distribution System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect, including reduction of the Charging Demand as directed by the Distribution Provider, within a reasonable time, the Distribution Provider may disconnect the Generating Facility. The Distribution Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Generating Facility

The Interconnection Customer must receive written authorization from the Distribution Provider before making any change to the Generating Facility that may have a material impact on the safety or reliability of the Distribution System and/or the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Distribution Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Generating Facility, Interconnection Facilities, and the Distribution Provider's Distribution System and/or Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades**4.1 Interconnection Facilities**

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Distribution Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Distribution Provider.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Distribution Provider's Interconnection Facilities.

4.2 Distribution Upgrades

The Distribution Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer or as specified in the Attachments to this Agreement. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades**5.1 Applicability**

No portion of this article 5 shall apply unless the interconnection of the Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Distribution Provider or the Distribution Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Distribution Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.2.1 Repayment of Amounts Advanced for Network Upgrades

The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Distribution Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Distribution Provider's Tariff and Affected System's Tariff for transmission services with respect to the Generating Facility. 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 pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the Distribution Provider, and any applicable Affected System operators may adopt any alternative payment schedule that is mutually agreeable so long as the Distribution Provider and said Affected System operators take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Distribution Provider or any applicable Affected System operators will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

5.2.1.2 If the Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Distribution Provider and Affected System operator shall at that time reimburse the 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.

5.3 Special Provisions for Affected Systems

Unless the Distribution Provider provides, under this Agreement, for the repayment of amounts advanced to any applicable Affected System operators for Network Upgrades,

the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, 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 Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Distribution Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within six (6) months of completing the construction and installation of the Distribution Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Distribution Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Distribution Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Distribution Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Distribution Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Distribution Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be

extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Uncontrollable Force Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Distribution Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Distribution Provider, 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 Distribution Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Distribution Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Distribution Provider under this Agreement during its term. In addition:

- 6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Distribution Provider, 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.
- 6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Distribution Provider and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Uncontrollable Force, Consequential Damages, and Default

7.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

- 7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the

assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Distribution Provider of any such assignment;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Distribution Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that the Interconnection Customer will promptly notify the Distribution Provider of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.

7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person 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.

7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Uncontrollable Force

7.5.1 As used in this article, an Uncontrollable Force Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force Event does not include an act of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force."

7.5.2 If an Uncontrollable Force Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Uncontrollable Force Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Uncontrollable Force Event. The notification must specify in reasonable detail the circumstances of the Uncontrollable Force Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to

the Uncontrollable Force Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Uncontrollable Force Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of an Uncontrollable Force Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Distribution Provider, except that the Interconnection Customer shall show proof of insurance to the Distribution Provider no later than ten Business Days prior to the

anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

- 8.2 The Distribution Provider agrees to maintain general liability insurance or self-insurance consistent with the Distribution Provider's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Distribution Provider's liabilities undertaken pursuant to this Agreement.
- 8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
- 9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
- 9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, 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 Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC,

the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 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.

Article 10. Disputes

- 10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 11. Taxes

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Distribution Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous**12.1 Governing Law, Regulatory Authority, and Rules**

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties, or under article 12.12 of this Agreement.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

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

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

12.5 Entire Agreement

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

12.6 Multiple Counterparts

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

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all transmission providers, market participants, and interconnection customers interconnected to electric systems 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 are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, 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 Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each

Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Distribution Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

The Distribution Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: _____

Attention: _____

Southern California Edison Company
FERC Electric Tariff, Second Revised Volume No. 5

Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ E-mail: _____

If to the Distribution Provider:

Distribution Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ E-mail: _____

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____

Distribution Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ E-mail: _____

If to the Distribution Provider:

Distribution Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ E-mail: _____

Southern California Edison Company
FERC Electric Tariff, Second Revised Volume No. 5

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ E-mail: _____

Distribution Provider's Operating Representative:

Distribution Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ E-mail: _____

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Distribution Provider

Name: _____

Title: _____

Date: _____

For the Interconnection Customer

Southern California Edison Company
FERC Electric Tariff, Second Revised Volume No. 5

Name: _____

Title: _____

Date: _____

Attachment 1**Glossary of Terms**

Affected System – An electric system other than the Distribution Provider's Distribution System that may be affected by the proposed interconnection, including but not limited to the Transmission System.

Annual Tax Security Reassessment – The annual reassessment of the current tax liability in accordance with the directives of FERC Orders 2003-A and 2003-B, which will commence the first year after Interconnection Customer's in-service date.

Applicable Laws and Regulations – 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 – The reliability council applicable to the Distribution System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards – The requirements and guidelines of NERC, the Applicable Reliability Council, and the control area of the Distribution System to which the Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.

Business Day – Monday through Friday, excluding Federal Holidays.

Charging Capacity – The capacity provided under the GIA to meet the Charging Demand of a Generating Facility that includes storage, subject to available capacity on the Distribution System and any operating conditions and/or limitations as may be set forth in Attachment 5 of the GIA.

Charging Demand – The flow of wholesale electric energy from the Distribution System solely to charge the storage component of the Generating Facility from the Distribution System for later redelivery of such energy, net of Generating Facility losses, to the Distribution System. Charging Demand does not include the delivery of energy for purposes that are subject to the Distribution Provider's retail tariff.

Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities – As defined in Attachment J of the Tariff. The currently effective Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities is as provided in Attachment J of the Tariff.

Default – The failure of a breaching Party to cure its breach under the Generator Interconnection Agreement.

Distribution Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the Generator Interconnection Agreement to the extent necessary.

Distribution Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Distribution Provider should be read to include the Distribution Owner when the Distribution Owner is separate from the Distribution Provider.

Distribution System – Those non-ISO transmission and distribution facilities, owned, controlled and operated by the Distribution Provider that are used to provide distribution service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Distribution Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Distribution Upgrades Charge – The monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Distribution Upgrades, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Distribution Upgrades Cost. The Distribution Upgrades Charge is provided in Attachment 2 to the GIA.

Distribution Upgrades Completion Date – The date upon which the construction of the Distribution Upgrades is complete and such facilities are successfully tested and ready for service.

Distribution Upgrades Cost – The Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Upgrades. The Distribution Upgrades Cost is provided in Attachment 2 to the GIA.

Fast Track Process – The interconnection study process set forth in Section 6 of the Generator Interconnection Procedures for a proposed certified Generating Facility that is no larger than 2 MW and that meets the codes, standards, and certification requirements of Appendices 8 and 9 of the Generator Interconnection Procedures, or the Distribution Provider has reviewed the design or tested the proposed Generating Facility and is satisfied that it is safe to operate.

Generating Facility –The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request being interconnected under the Fast Track Process, but shall not include the Interconnection Customer's Interconnection Facilities.

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

Governmental Authority – 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, the Distribution Provider, or any affiliate thereof.

Interconnection Customer – Any entity, including the Distribution Provider, Distribution Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Distribution Provider's Distribution System.

Interconnection Facilities – The Distribution Provider'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 Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Facilities Charge – The monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Attachment 2 to the GIA.

Interconnection Facilities Completion Date – The date upon which the construction of the Distribution Provider's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.

Interconnection Facilities Cost – All costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Provider’s Interconnection Facilities. The Interconnection Facilities Cost is provided in Attachment 2 to the GIA.

Interconnection Handbook - A handbook, developed by the Distribution Provider and posted on the Distribution Provider’s website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. In the event of a conflict between the terms of this GIA and the terms of the Distribution Provider’s Interconnection Handbook, the terms in this GIA shall govern.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Distribution Provider’s Distribution System.

ISO Tariff – The California Independent System Operator Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time, and accepted by FERC.

ITCC (Income Tax Component of Contribution) – As defined in Attachment J of the Tariff.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request, or any other valid interconnection request to the Distribution Provider or the ISO, with a later queue priority date.

NERC – The North American Electric Reliability Corporation or its successor organization.

Network Upgrades – Additions, modifications, and upgrades to the Distribution Provider's Transmission System required at or beyond the point at which the Distribution System connects to the Distribution Provider’s Transmission System to accommodate the interconnection of the Generating Facility to the Distribution Provider’s Distribution System. Network Upgrades do not include Distribution Upgrades.

Network Upgrades Cost – The Interconnection Customer’s allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Network Upgrades. The Network Upgrades Cost is provided in Attachment 2 to the GIA.

One-Time Cost – All costs determined by the Distribution Provider to be associated with the installation of the Distribution Provider’s Interconnection Facilities, Distribution Upgrades, or Network Upgrades which are not capitalized. The One-Time Cost is provided in Attachment 2 to the GIA.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, the California Independent System Operator Corporation, control area, or the Distribution Provider's requirements, including those set forth in the Generator Interconnection Agreement.

Party or Parties – The Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Distribution Provider's Distribution System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Generator Interconnection Agreement, 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.

Remedial Action Scheme (RAS) – A scheme designed to detect predetermined system conditions and automatically take corrective actions that may include, but are not limited to, adjusting or tripping generation.

Tariff – The Wholesale Distribution Access Tariff, the Distribution Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

Tax Security – The Interconnection Customer's provision of security with respect to the Interconnection Customer's tax indemnification obligations. The Tax Security is provided in Attachment 2 to the GIA.

Transmission System – Those facilities owned by the Distribution Provider that have been placed under the ISO's operational control and are part of the ISO Grid.

Upgrades – The required additions and modifications to the Distribution Provider's Distribution System and Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Southern California Edison Company
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Attachment 2

Description and Costs of the Generating Facility, Interconnection Facilities, and Metering Equipment

Equipment, including the Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Distribution Provider, or the Distribution Owner. The Distribution Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Southern California Edison Company
FERC Electric Tariff, Second Revised Volume No. 5

Attachment 3

**One-line Diagram Depicting the Generating Facility, Interconnection
Facilities, Metering Equipment, and Upgrades**

Southern California Edison Company
FERC Electric Tariff, Second Revised Volume No. 5

Attachment 4

Milestones

In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

Item	Milestone	Responsible Party	Due Date
(a)	_____	_____	_____
(b)	_____	_____	_____
(c)	_____	_____	_____
(d)	_____	_____	_____
(e)	_____	_____	_____
(f)	_____	_____	_____
(g)	_____	_____	_____
(h)	_____	_____	_____
(i)	_____	_____	_____
(j)	_____	_____	_____

Agreed to by:

For the Distribution Provider _____ Date _____

For the Distribution Owner (If Applicable) _____ Date _____

For the Interconnection Customer _____ Date _____

Southern California Edison Company
FERC Electric Tariff, Second Revised Volume No. 5

Attachment 5

**Additional Operating Requirements for the Distribution Provider's
Distribution System and Affected Systems Needed to Support
the Interconnection Customer's Needs**

The Distribution Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Distribution Provider's Distribution System.

Southern California Edison Company
FERC Electric Tariff, Second Revised Volume No. 5

Attachment 6

**Distribution Provider's Description of its Upgrades
and Best Estimate of Upgrade Costs**

The Distribution Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Distribution Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

FERC rendition of the electronically filed tariff records in Docket No. ER18-01248-000

Filing Data:

CID: C000041

Filing Title: SCE Revised WDAT - Energy Storage

Company Filing Identifier: 1222

Type of Filing Code: 10

Associated Filing Identifier:

Tariff Title: Wholesale Distribution Access Tariff

Tariff ID: 54

Payment Confirmation:

Suspension Motion:

Tariff Record Data:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 1, 1. Preamble and Applicability, 1.0.0, A

Record Narrative Name: 1. Preamble and Applicability

Tariff Record ID: 3

Tariff Record Collation Value: 1020000 Tariff Record Parent Identifier: 0

Proposed Date: 2018-05-30

Priority Order: 10

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

1. Preamble and Applicability

1.1 (Not Used)

1.2 Applicability

The Distribution Provider will provide Distribution Service pursuant to the applicable terms and conditions contained in this Tariff and Service Agreement.

The Tariff is applicable for the transportation of capacity and energy that is (1) generated or purchased by a Distribution Customer at a generation source and transported to the ISO Grid using the Distribution Provider's Distribution System, (2) generated or purchased by a Distribution Customer from generation sources and transported from the ISO Grid to the Distribution Customer's Service Area using the Distribution Provider's Distribution System, or (3) generated or purchased by a Distribution Customer from generation sources and transported from the ISO Grid to the Distribution Customer's Resource for the Charging Demand, using the Distribution Provider's Distribution System. The Tariff is also applicable for delivery to the ISO Grid of any capacity and energy generated or purchased by the Distribution Provider that uses the Distribution Provider's

Distribution System. Distribution Service shall be provided between the Distribution Provider's interconnection with the ISO Grid and the Distribution Customer's interconnection with the Distribution Provider's Distribution System. The Distribution Customer shall obtain and pay for Transmission Service from the ISO for such energy and capacity delivered to the ISO Grid or for energy and capacity received from the ISO Grid pursuant to the terms and conditions of the ISO Tariff and the TO Tariff. Service hereunder shall not be available if the Commission would be prohibited from ordering such service under

Section 212(h) of the Federal Power Act.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 2, 2. Definitions, 1.0.0, A

Record Narrative Name: 2. Definitions

Tariff Record ID: 4

Tariff Record Collation Value: 1030000 Tariff Record Parent Identifier: 0

Proposed Date: 2018-05-30

Priority Order: 10

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

2. Definitions

Terms used in this Tariff with initial capitalization shall have the meanings set forth below. The singular of any definition shall include the plural and the plural shall include the singular.

- 2.1 Application: A request by an Eligible Customer for Distribution Service pursuant to the provisions of this Tariff.
- 2.2 Charging Capacity: The capacity provided under a Service Agreement to meet the Charging Demand of a Resource that includes storage, subject to available capacity on the Distribution System and any operating conditions and/or limitations as may be set forth in the Service Agreement.
- 2.3 Charging Demand: The flow of wholesale electric energy from the Distribution System solely to charge the storage component of the Eligible Customer's Resource from the Distribution System for later redelivery of such

energy, net of Resource losses, to the Distribution System. Charging Demand does not include the delivery of energy for purposes that are subject to the Distribution Provider's retail tariff.

- 2.4 Commission: The Federal Energy Regulatory Commission.
- 2.5 Completed Application: An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.
- 2.6 Curtailment: A reduction in Distribution Service by the Distribution Provider in response to a Distribution System capacity shortage as a result of system reliability conditions or pursuant to a directive of the ISO.
- 2.7 Direct Assignment Facilities: Facilities or portions of facilities that are constructed by the Distribution Provider for the sole use/benefit of a particular Distribution Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Distribution Customer and shall be subject to Commission approval.
- 2.8 Distribution Customer: Any Eligible Customer that (i) executes a Service Agreement or (ii) requests in writing that the Distribution Provider file with the Commission, a proposed unexecuted Service Agreement to receive Distribution Service pursuant to the terms of the Tariff.
- 2.9 Distribution Provider: Southern California Edison Company, the public utility that owns, controls, and operates facilities used for the distribution of electric energy and provides Distribution Service under the Tariff.
- 2.10 Distribution Service: The wholesale distribution service provided under the Tariff.
- 2.11 Distribution System: Those non-ISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide Distribution Service under the Tariff.

- 2.12 Distribution System Upgrades: Modifications or additions to the Distribution Provider's Distribution System for the general benefit of all users of such Distribution System.
- 2.13 Eligible Customer: Any electric utility (including the Distribution Provider and any power marketer), Federal power marketing agency, or any person generating or storing electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy purchased or generated by such entity may be electric energy produced in the United States, Canada or Mexico. However, no entity is eligible for service hereunder that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act.
- 2.14 End-Use Customer: A customer that takes final delivery of electric power and does not resell the power.
- 2.15 Facilities Study: An engineering study conducted by the Distribution Provider to determine the required modifications to the Distribution Provider's Distribution System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested Distribution Service.
- 2.16 Generation: The capacity and energy delivered from a Resource.
- 2.17 Good Utility Practice: Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the Western

Systems Coordinating Council region.

- 2.18 ISO: The California Independent System Operator Corporation, a state-chartered, nonprofit, public benefit corporation that controls certain transmission facilities of all Participating TOs and dispatches certain generating units and loads.
- 2.19 ISO Grid: The system of transmission lines and associated facilities of the Participating TOs that have been placed under the ISO's operational control.
- 2.20 ISO Tariff: The California Independent System Operator Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time, and accepted by the Commission.
- 2.21 Load Shedding: The systematic reduction of system demand by temporarily decreasing load in response to Distribution System capacity shortages, system instability, or voltage control considerations under the Tariff or pursuant to a directive of the ISO.
- 2.22 Participating Transmission Owner (TO): An entity which (i) owns, operates, and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities and (ii) has transferred to the ISO operational control of such facilities and/or entitlements to be made part of the ISO Grid.
- 2.23 Parties: The Distribution Provider and the Distribution Customer receiving service under the Tariff.
- 2.24 Point of Delivery: A point on the Distribution Provider's Distribution System where wholesale capacity and energy generated by the Distribution Customer's Resource will be delivered to the ISO Grid, or where wholesale capacity and energy delivered by the Distribution Provider will be made available to the Distribution Customer to serve Wholesale Distribution Load or Charging Demand. The Point of Delivery shall be specified in the Service

Agreement.

- 2.25 Point of Receipt: A point on the Distribution Provider's Distribution System where wholesale capacity and energy generated by the Distribution Customer's Resource will be delivered to the Distribution Provider, or where wholesale capacity and energy purchased by a Distribution Customer is delivered from the ISO Grid to the Distribution Provider. The Point of Receipt shall be specified in the Service Agreement.
- 2.26 Power Customers: The wholesale and retail power customers of the Distribution Provider on whose behalf the Distribution Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Distribution Provider's distribution system to meet the reliable electric needs of such customers.
- 2.27 Resource: Any generating facility owned by a Distribution Customer that is capable of producing, and/or storing for later injection, and delivering energy to the ISO Grid.
- 2.28 Service Agreement: The initial agreement and any amendments or supplements thereto entered into by the Distribution Customer and the Distribution Provider for service under the Tariff.
- 2.29 Service Area: An area in which an electric utility is obligated to provide electric service to End-Use customers.
- 2.30 Service Commencement Date: The date the Distribution Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Distribution Provider begins to provide service in accordance with Section 14.1 of the Tariff.
- 2.31 System Impact Study: An assessment by the Distribution Provider of (i) the adequacy of the Distribution System to accommodate a request for Distribution Service and (ii) whether any additional costs may be incurred in

order to provide Distribution Service.

- 2.32 Tariff: This Wholesale Distribution Access Tariff.
- 2.33 TO Tariff: A tariff setting out a Participating TO's rates and charges for transmission access to the ISO Grid, filed with the Commission on March 31, 1997, as it may be amended or superseded, and accepted by the Commission.
- 2.34 Transmission Service: The transmission service provided over the ISO Grid under the terms and conditions of the ISO Tariff and the TO Tariff.
- 2.35 Wholesale Distribution Load: The End-Use Customers' load that a Distribution Customer serves from distribution facilities that it owns or controls to deliver capacity and energy to such End-Use Customers and for which Distribution Service is obtained under the Tariff.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 12, 12. Nature of Distribution Service, 1.0.0, A

Record Narrative Name: 12. Nature of Distribution Service

Tariff Record ID: 14

Tariff Record Collation Value: 1130000 Tariff Record Parent Identifier: 0

Proposed Date: 2018-05-30

Priority Order: 10

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

12. Nature of Distribution Service

12.1 Distribution Provider Responsibilities

The Distribution Provider will plan, construct, operate and maintain its Distribution System in accordance with Good Utility Practice in order to provide the Distribution Customer with Distribution Service over the Distribution Provider's Distribution System. The Distribution Provider shall include the Distribution Customer's Generation or Wholesale Distribution Load in its Distribution System planning and shall, consistent with Good Utility Practice, endeavor to construct and place into service sufficient Distribution System facilities to deliver the Distribution Customer's Generation to the ISO Grid or the Distribution Customer's power to serve its Wholesale Distribution Load on a

basis comparable to the Distribution Provider's delivery of power to the ISO Grid or to the Distribution Provider's Power Customers.

12.2 Term

The minimum term for Distribution Service shall be one year.

12.3 (Not Used)

12.4 (Not Used)

12.5 Service Agreements

The Distribution Provider shall offer a standard form Service Agreement for Wholesale Distribution Service (Attachment A) to an Eligible Customer when it submits a Completed Application for Distribution Service. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

12.6 (Not Used)

12.7. Load Shedding and Curtailment of Distribution Service

12.7.1 Procedures

Prior to the Service Commencement Date, the Distribution Provider and the Distribution Customer shall establish Load Shedding and Curtailment procedures pursuant to the applicable Attachment B or Attachment C of the Tariff with the objective of responding to contingencies on the Distribution System. The Parties will implement such programs during any period when the Distribution Provider determines that a Distribution System contingency exists and such procedures are necessary to alleviate such contingency. The Distribution Provider will notify the Distribution Customer in a timely manner of the existence of such contingency.

12.7.2 Distribution Constraints

During any period when the Distribution Provider determines that a constraint exists on all or a portion of its Distribution System, and such constraint may impair the reliability of its Distribution System, the Distribution Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Distribution Provider's Distribution System.

12.7.3 Curtailments of Scheduled Deliveries

If a constraint on the Distribution Provider's Distribution System cannot be relieved through the implementation of other procedures and the Distribution Provider determines that it is necessary to Curtail ISO-scheduled deliveries, the Parties shall Curtail such ISO schedules in accordance with the applicable Attachment B or Attachment C of the Tariff.

12.7.4 Allocation of Curtailments

The Distribution Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieves the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be proportionately shared by the Distribution Provider and Distribution Customer. The Distribution Provider shall not direct the Distribution Customer to Curtail ISO schedules to an extent greater than the Distribution Provider would Curtail the Distribution Provider's ISO schedules under similar circumstances. Notwithstanding the foregoing, the Distribution Service provided for the Charging Demand is based on existing Distribution System capacity and is subject to Curtailment by the Distribution Provider, on an equitable and non-discriminatory basis, but before the Curtailment of Power Customers' retail load and Wholesale

Distribution Load, to the extent practicable and consistent with Good Utility Practice.

12.7.5 Load Shedding

To the extent that a system contingency exists on the Distribution Provider's Distribution System and the Distribution Provider determines that it is necessary for the Distribution Provider and the Distribution Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the applicable Attachment B or Attachment C of the Tariff.

12.7.6 System Reliability

Notwithstanding any other provisions of this Tariff, the Distribution Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Distribution Service without liability on the Distribution Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Distribution Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Distribution Provider's Distribution System or on any other system(s) directly or indirectly interconnected with the Distribution Provider's Distribution System, the Distribution Provider, consistent with Good Utility Practice, also may Curtail Distribution Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to distribution facilities, or (iii) expedite restoration of service. The Distribution Provider will give the Distribution Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Distribution Service

will not be unduly discriminatory relative to the Distribution Provider's use of the Distribution System. The Distribution Provider shall specify in the Service Agreement the rate treatment and all related terms and conditions applicable in the event that the Distribution Customer fails to respond to established Load Shedding and Curtailment procedures.

12.8 (Not Used)

12.9 Scheduling of Distribution Service

Separate schedules for Distribution Service shall not be required under this Tariff. In transmission schedules submitted to the ISO, the Distribution Customer shall include its Generation, Charging Demand or Wholesale Distribution Load, including applicable Distribution System real power losses, for which Distribution Service is being provided pursuant to this Tariff.

12.10 Self Provision of Ancillary Services

Nothing in this Tariff is intended to limit a Distribution Customer in the self provision or sale of Ancillary Services, to the extent the Distribution Customer is eligible to self provide or sell Ancillary Services under the terms of the ISO Tariff or contracts, except when emergency conditions preclude such provision of ancillary services. Except to the extent that a Distribution Customer may be called upon to provide reactive power support consistent with the operations of the Distribution Provider, a Distribution Customer must maintain power factor at the interface between the Distribution Customer's facilities and the Distribution Provider's facilities pursuant to Section 20.4.

12.11 Conflict With ISO Tariff

If a Distribution Customer identifies a conflict between this Tariff and the ISO Tariff, the Distribution Provider and the Distribution Customer shall make good-faith efforts to resolve the conflict. If the Parties are unable to informally

resolve the conflict, the Parties may use the Dispute Resolution Procedures set forth in Section 9 of this Tariff.

12.12 Conflicting Operating Instructions

In the event a Distribution Customer receives conflicting operating instructions from the ISO, one or more Participating TO(s), or the Distribution Provider, and, if human safety would not knowingly be jeopardized nor electric facilities subject to damage while the Distribution Customer seeks to reconcile the conflict with the appropriate ISO, Participating TO and/or Distribution Provider employees before acting, the Distribution Customer should attempt a reconciliation. Otherwise, the Distribution Customer shall adhere to ISO Tariff provision 4.2 and follow the ISO's instructions. In no event shall a Distribution Customer be required to follow operating instructions from the ISO if following those instructions would knowingly jeopardize human safety.

12.13 Changes in Service Requests

Under no circumstances shall the Distribution Customer's decision to change its requested Distribution Service in any way relieve the Distribution Customer of its obligation to pay the costs of facilities constructed by the Distribution Provider and charged to the Distribution Customer as reflected in the Service Agreement. However, the Distribution Provider must treat any requested change in Distribution Service in a non-discriminatory manner.

12.14 Annual Generation or Wholesale Distribution Load and Information Updates

The Distribution Customer shall provide the ISO and the Distribution Provider with annual updates of Generation or Wholesale Distribution Load forecasts consistent with those included in its Application for Distribution Service under the Tariff. The Distribution Customer also shall provide the Distribution

Provider with timely written notice of material changes in any other information provided in its Application relating to the Distribution Customer's Generation or Wholesale Distribution Load or other aspects of its facilities or operations affecting the Distribution Provider's ability to provide reliable service.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 13, 13. Service Availability, 2.0.0, A

Record Narrative Name: 13. Service Availability

Tariff Record ID: 15

Tariff Record Collation Value: 1140000 Tariff Record Parent Identifier: 0

Proposed Date: 2018-05-30

Priority Order: 10

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

13. Service Availability

13.1 General Conditions

The Distribution Provider will provide Distribution Service over its Distribution System for the transportation of capacity and energy generated by a Distribution Customer or purchased by a Distribution Customer from generation sources located outside of the Distribution Customer's Service Area using the Distribution Provider's Distribution System. Distribution Service will be provided between the Point of Receipt and the Point of Delivery on a basis that is comparable to the Distribution Provider's use of the Distribution System to deliver power to the ISO Grid or to reliably serve the Distribution Provider's Power Customers.

13.2 (Not Used)

13.3 (Not Used)

13.4 (Not Used)

13.5 Technical Arrangements to be Completed Prior to Commencement of Service

Distribution Service shall not commence until the Distribution Provider and the Distribution Customer, or a third party, have completed installation of all

equipment specified under the Service Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Distribution System. The Distribution Provider shall exercise reasonable efforts, in coordination with the Distribution Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

Tariff Record Proposed Effective

Date: 05/30/2018

Version Number: 2.0.0

Option

Code: A

13.6 Distribution Customer Facilities

The provision of Distribution Service shall be conditioned upon the Distribution Customer's planning, constructing, maintaining and operating the facilities on its side of the Point of Receipt or Point of Delivery necessary to reliably deliver capacity and energy to the Distribution Provider's Distribution System or accept capacity and energy from the Distribution Provider's Distribution System in accordance with Good Utility Practice. Except as otherwise provided under the Tariff, the Distribution Customer shall be solely responsible for constructing or installing all facilities on the Distribution Customer's side of each such Point of Receipt or Point of Delivery. The terms and conditions under which the Distribution Customer shall operate its facilities and the technical and operational matters associated with the implementation of the Tariff are specified in Attachment B for Wholesale Distribution Load and Attachment C for Resources.

13.7 (Not Used)**13.8 (Not Used)****13.9 Real Power Losses**

Real Power Losses are associated with all distribution service. The Distribution Provider is not obligated to provide Real Power Losses. The Distribution Customer is responsible for replacing losses associated with all Distribution Service as calculated by the Distribution Provider. Real Power Losses associated with Distribution Service are calculated by multiplying the metered quantity, whether energy or demand, by the Real Power Loss Factor calculated by the Distribution Provider. For Resources, the Real Power Loss Factor shall be: (i) 1.12% credit for the output and 1.12% loss for the Charging Demand of Resources interconnected at distribution voltages of 50 kV and above; or (ii) 3.73% credit for the output and 3.73% loss for the Charging Demand of Resources interconnected at distribution voltages below 50 kV and greater than or equal to 2 kV.

For Wholesale Distribution Loads, the applicable Real Power Loss Factors for Distribution Service over the Distribution System will be set forth in the Service Agreement.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
 Section 15, 15. Procedures for Arranging Distribution Service, 2.0.0, A
 Record Narrative Name: 15. Procedures for Arranging Distribution Service
 Tariff Record ID: 17
 Tariff Record Collation Value: 1160000 Tariff Record Parent Identifier: 0
 Proposed Date: 2018-05-30
 Priority Order: 10
 Record Change Type: CHANGE
 Record Content Type: 1
 Associated Filing Identifier:

15. Procedures for Arranging Distribution Service**15.1 Interconnection**

An Eligible Customer requesting interconnection of a Wholesale Distribution

Load to the Distribution Provider's Distribution System shall follow the procedures set forth in Section 15.2 to request interconnection and Distribution Service. An Eligible Customer requesting interconnection of a Large Generating Facility to the Distribution Provider's Distribution System shall follow the LGIP, CLGIP, or GIP set forth in Attachments F, H, and I, respectively, to request Interconnection Service and Section 15.2 to request Distribution Service. An Eligible Customer requesting interconnection of a Small Generating Facility to the Distribution Provider's Distribution System shall follow the SGIP or GIP set forth in Attachments G and I, respectively, to request Interconnection Service and Section 15.2 to request Distribution Service. If the Eligible Customer requests both Interconnection Service and Distribution Service at the same time, the Distribution Provider shall process such requests concurrently in accordance with the applicable LGIP, CLGIP, SGIP, or GIP. The LGIP is closed to new interconnection requests as of August 11, 2008. The SGIP and CLGIP are closed to new interconnection requests as of March 2, 2011.

15.2 Completed Application

An Eligible Customer requesting service under the Tariff must submit an Application, with a deposit of \$2.00 per anticipated average monthly kilowatts of Generation or Wholesale Distribution Load, except that the deposit shall be waived for an Eligible Customer that contemporaneously submits with its Application a valid interconnection request and associated deposit or fee for the Resource associated with such Generation, to the Distribution Provider as far as possible in advance of the month in which service is to commence. In the event that the monthly charge for Distribution Service is less than \$2.00 per kilowatt, the Distribution Provider will refund the difference, with interest, to the Eligible Customer at the same time it tenders the Service Agreement. The Distribution

Provider may provide for an abbreviated Application procedure and may waive the requirement for a deposit when an Eligible Customer requests that an existing distribution service be converted to Distribution Service under this Tariff. Distribution Service to Wholesale Distribution Loads and Resources that has, prior to the effective date of this Tariff, received wholesale service over distribution facilities subject to this Tariff shall be exempted from tariff provisions requiring submission of deposits prior to receipt of service. This exemption shall not apply, however, to the extent that the Wholesale Distribution Loads and Resources whose service is to be continued require new or additional facilities. The deposit in this situation shall not exceed one month's payment associated with such facilities. Written applications should be submitted by mail or e-mail to the Distribution Provider, Southern California Edison Company, Grid Interconnection & Contract Development, P.O. Box 800, 2244 Walnut Grove Avenue, Rosemead, California 91770, e-mail grid.interconnections@sce.com. These methods will provide a date-stamped record for establishing the priority of the Application. A Completed Application shall provide all applicable information required to evaluate a request for Distribution Service, including but not limited to the following:

- (i) The identity, address, telephone number and e-mail of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point of Receipt or Point of Delivery;
- (iv) A description of the Wholesale Distribution Load at the Point of Delivery. This description should separately identify and provide the Eligible Customer's best estimate of the Wholesale Distribution Load to be served and the distribution voltage level. The description should include a five (5)

year forecast of monthly Wholesale Distribution Load requirements beginning with the first year after the service is scheduled to commence;

- (v) The amount and location of any interruptible loads included in the Wholesale Distribution Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 5 year Wholesale Distribution Load forecast provided in response to (iv) above;
- (vi) A description of the Resource located within the distribution area (current and 5-year projection of monthly Generation), which shall include:
 - Unit size and amount of capacity from that unit
 - VAR capability (both leading and lagging) of all generators
 - Requested Charging Capacity, if applicable
 - Operating restrictions
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
- (vii) A written demonstration that the Eligible Customer will have the necessary contractual arrangements or existing contracts in place to receive transmission service over the ISO Grid prior to the commencement of Distribution Service under the Tariff;
- (viii) The Service Commencement Date and the term of the requested Distribution Service; and
- (ix) Such other information the Distribution Provider reasonably requires to process the Application.

Unless the parties agree to a different time frame, the Distribution Provider must acknowledge the Application within ten (10) days of receipt. The acknowledgment must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Distribution Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Distribution Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Distribution Provider shall return the Application to the Eligible Customer and shall refund the deposit, with interest, less reasonable costs incurred by the Distribution Provider in connection with the review of the Application. The Distribution Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Distribution Provider's account. The Distribution Provider shall treat all information provided by the Eligible Customer consistent with the standards of conduct contained in Part 37 of the Commission's regulations. Requests for Distribution Service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the parties.

15.3 (Not Used)

15.4 (Not Used)

15.5 (Not Used)

15.6 Execution of Service Agreement

Whenever the Distribution Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. If a Service Agreement is executed, the deposit, with interest calculated pursuant to Section 15.2, will be returned to the Distribution Customer upon the earlier of (1) the expiration or termination of the Service Agreement; or (2) after the Distribution Customer has paid its bills for Distribution Service in accordance with the terms of the Tariff for 60 consecutive months. Where a System Impact Study is required, the provisions of Section 16 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 16.3, within fifteen (15) days after it is tendered by the Distribution Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

15.7 (Not Used)

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Section 21, 21. Compensation for Distribution Service, 1.0.0, A
Record Narrative Name: 21. Compensation for Distribution Service
Tariff Record ID: 23
Tariff Record Collation Value: 1220000 Tariff Record Parent Identifier: 0
Proposed Date: 2018-05-30
Priority Order: 10
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

21. Compensation for Distribution Service

21.1 Charges Under the Tariff

The Distribution Customer shall pay the Distribution Provider the Monthly Charge for Distribution Service, applicable study costs, and any penalties assessed pursuant to the Service Agreement, consistent with Commission policy. Any charges for Real Power Losses, Ancillary Services, and Transmission Service shall be paid by the Distribution Customer pursuant to the ISO Tariff or TO Tariff.

21.2 Monthly Charge for Distribution Service

The Distribution Customer shall pay the Distribution Provider the applicable monthly Customer Charge and Demand Charge set forth in the Service Agreement.

21.2.1 Determination of the Monthly Charge for Distribution Service to Serve Wholesale Distribution Load

The rates charged for Distribution Service from the ISO Grid to Wholesale Distribution Load shall be based on the costs of only those Distribution System facilities used to provide Distribution Service to the Distribution Customer. Upon receipt of a Completed Application, the Distribution Provider will undertake an engineering study, and any other studies pursuant to Section 16, if required, to identify such facilities. The costs of the identified facilities, including any Direct Assignment Facilities and Distribution System Upgrades, shall be directly assigned or allocated to the Distribution Customer based on the Distribution Customer's proportionate share of the total load served from the facilities. Such proportionate share shall be based on the non-coincident peak demands served by those facilities. A traditional revenue requirement will be

calculated for the costs of the identified facilities directly assigned and allocated to the Distribution Customer. The monthly Demand Charge shall be calculated by dividing the Distribution Customer's annual revenue requirement for the identified facilities allocated to the Distribution Customer by the sum of the Distribution Customer's twelve monthly maximum peak demands imposed on the Distribution System. The monthly Facilities Charge shall be calculated by dividing the Distribution Customer's annual revenue requirement for the identified facilities directly assigned to the Distribution Customer by twelve. The monthly Customer Charge shall be based on the annual revenue requirement for customer accounting expenses attributable to the Distribution Customer.

21.2.2 Monthly Charge for Distribution Service for Generation or Charging Demand

The rate charged for Distribution Service for Generation from the Resource to the ISO Grid or Charging Demand from the ISO Grid to the Resource shall be based only on the costs of those Distribution System facilities which are fully directly assigned to the Distribution Customer. Upon receipt of a Completed Application, the Distribution Provider will undertake an engineering study, and any other studies pursuant to Section 16, if required, to identify such facilities. The costs of the identified facilities shall include any Direct Assignment Facilities and Distribution System Upgrades. A traditional revenue requirement will be calculated for the costs of the identified facilities. The monthly Facilities Charge shall be calculated by dividing the Distribution Customer's annual revenue requirement for the identified facilities by twelve. The monthly Customer Charge shall be based on the annual revenue requirement for customer accounting expenses attributable to the Distribution Customer.

Attachment A, Attachment A Form of Service Agreement for Wholesale Distrib, 1.0.0, A
Record Narrative Name: Attachment A Form of Service Agreement for Wholesale Distribution Service
Tariff Record ID: 27
Tariff Record Collation Value: 1260000 Tariff Record Parent Identifier: 0
Proposed Date: 2018-05-30
Priority Order: 10
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

ATTACHMENT A

FORM OF SERVICE AGREEMENT FOR WHOLESALE DISTRIBUTION SERVICE

1. This Service Agreement, dated as of _____, is entered into, by and between Southern California Edison Company ("Distribution Provider"), and _____ ("Distribution Customer").
2. The Distribution Customer has been determined by the Distribution Provider to have a Completed Application for Distribution Service under the Tariff.
3. The Distribution Customer has provided to the Distribution Provider an Application deposit in the amount of \$ _____, in accordance with the provisions of Section 15.2 of the Tariff.
4. Service under this Service Agreement shall commence on the later of (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Distribution System Upgrades specified in Sections 7.0 and 8.0 of the attached Specifications For Wholesale Distribution Service are completed and all additional requirements are met pursuant to Section 13.5 of the Tariff, or (3) such other date as it is permitted to become effective by the Commission. Service under this Service Agreement shall terminate on _____.
5. The Distribution Provider agrees to provide and the Distribution Customer agrees to take and pay for Distribution Service in accordance with the provisions of the Tariff and this Service

Agreement.

6. Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Distribution Provider:

Southern California Edison Company

Distribution Customer:

7. The Tariff and attached Specifications For Wholesale Distribution Service are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Distribution Provider:

By: _____

Name

Title

Date

Distribution Customer:

By: _____

Name

Title

Date

SPECIFICATIONS FOR WHOLESale DISTRIBUTION SERVICE

1. Term of Transaction:

Service Commencement Date:

Termination Date:

2. For a Resource connected to the Distribution Provider's Distribution System, a description of capacity and energy to be transmitted by Distribution Provider and a five year forecast of monthly Generation: _____

3. Point of Receipt: _____

Point of Delivery: _____

Receiving Party: _____

4. Description of Wholesale Distribution Load at the Point of Delivery (including a five year forecast of monthly load requirements): _____

5. Interruptible Load amount (summer and winter), location and conditions/limitations (five year forecast): _____

6. Capacity and energy to be transmitted.

6.1 For Resources:

Generation: _____

Charging Capacity, if applicable: _____

6.2 For Wholesale Distribution Load, the estimated peak load for informational purposes only: _____

7. Direct Assignment Facilities: _____

8. Distribution System Upgrades required prior to the commencement of service:

9. Real Power Loss Factors: _____

10. Power Factor: The Distribution Customer is required to maintain its power factor within a range of 0.95 lagging to 0.95 leading (or, if so specified in the Service Agreement, a greater

range), pursuant to Good Utility Practice. This provision recognizes that a Distribution Customer may provide reactive power support in accordance with Section 12.10 (Self Provision of Ancillary Services), of this Tariff. _____

11. Distribution Service under this Agreement will be subject to the charges detailed below.

11.1 Customer Charge:

11.2 Demand Charge:

11.3 Facilities Charge: _____

11.4 System Impact and/or Facilities Study Charge(s): _____

12. Letter of credit or alternative form of security to be provided and maintained by

Distribution Customer pursuant to Sections 8 and 16.4 of the Tariff: _____

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Attachment C, Attachment C Technical and Operational Implementation of the, 2.0.0, A
Record Narrative Name: Attachment C Technical and Operational Implementation of the Tariff for Generation Resources
Tariff Record ID: 29
Tariff Record Collation Value: 1280000 Tariff Record Parent Identifier: 0
Proposed Date: 2018-05-30
Priority Order: 10
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

ATTACHMENT C

TECHNICAL AND OPERATIONAL IMPLEMENTATION OF THE TARIFF FOR GENERATION RESOURCES

1. Metering And Communications Equipment: Data retrieval requirements, procedures, and schedules shall generally be consistent with ISO requirements. The Distribution Provider shall not impose metering and communication equipment requirements pursuant to the Tariff and the Service Agreement that are more stringent than the ISO's metering and communication requirements.

1.1 Distribution Customer shall install, own, and maintain revenue quality meters in accordance with the ISO Tariff.

1.1.1 Distribution Customer shall read or retrieve meter data as may be required to carry out the provisions of Section 10 of the ISO Tariff. Distribution Customer shall report the meter data to the ISO and Distribution Customer's scheduling coordinator, as applicable.

- 1.1.2 The revenue meters shall be tested by the Distribution Customer in accordance with the requirements of the ISO Tariff. The Distribution Customer shall immediately repair, adjust, or replace any meter or associated equipment found to be defective or inaccurate.
- 1.2 The Distribution Customer and the Distribution Provider shall install communications facilities, equipment, and software to schedule and monitor the Distribution Customer's Resource connected to the Distribution Provider's Distribution System, to exchange data, and for any other purpose as reasonably required to implement the Service Agreement and the Tariff in accordance with Good Utility Practice. Such communications facilities, equipment, and software may include metering equipment, in addition to that required in Section 1.1, installed, owned, operated and maintained by the Distribution Provider, at the Distribution Customer's expense.
- 1.3 All metering, communications, and data exchanges required to implement the Service Agreement and the Tariff shall be automated to the greatest extent practical. The Operating Representatives shall coordinate standards and specifications for metering and communications equipment as well as any related hardware and software required to implement the Service Agreement and the Tariff, provided such metering and communications equipment and any related hardware and software shall, if possible, be compatible with the Distribution Provider's existing or planned facilities or software, meet all applicable ISO, Western Systems Coordinating Council ("WSCC") and North American Electric Reliability Council ("NERC") requirements, and be consistent with Good Utility

Practice.

- 1.4 The Distribution Customer shall procure, install and maintain, at its sole expense, communications equipment, and any related hardware and software required to be installed on its system in accordance with Section 1. The Distribution Customer shall reimburse the Distribution Provider for all expenses incurred by the Distribution Provider for any metering and communications equipment, and related hardware and software, including any modifications to existing facilities or software required for the Distribution Provider to provide service in accordance with the Service Agreement and the Tariff.
2. Interconnection of Distribution Customer's Resource:
 - 2.1 The Distribution Customer shall interconnect its Resource with the Distribution Provider's Distribution System in accordance with all applicable ISO, WSCC and NERC criteria, and Good Utility Practice.
 - 2.2 Except as otherwise provided under the Tariff, the Distribution Customer, at its sole expense, shall design, own, procure, install, operate and maintain all equipment and facilities, including the Resource, on its side of the Point of Receipt (Distribution Customer's Facilities). The Distribution Provider shall design, own, install, and maintain all facilities necessary to interconnect the Distribution Customer's Resource on the Distribution Provider's side of the Point of Receipt (Distribution Provider's Facilities) at the Distribution Customer's sole expense to the extent permitted by Commission policies. Such facilities shall include any equipment necessary to protect the Distribution Provider's electric system, employees, and customers from damage or injury arising out of or

connected with the operation of the Distribution Customer's Facilities, including, but not limited to, short circuit protection, breaker closing/reclosing control, unit tripping, loss of synchronism, overcurrent/under current devices such as relays, remote terminal units, circuit breakers, and meters. The Distribution Customer's Facilities, and their operation and maintenance, shall meet the Distribution Provider's specifications and shall be subject to inspection and testing by the Distribution Provider. The Distribution Customer's Facilities shall be designed, constructed, operated and maintained as follows:

2.2.1 Design

- (a) Distribution Customer, at Distribution Customer's sole expense, shall:
 - (1) Design Distribution Customer's Facilities ;
 - (2) Acquire all permits and other approvals necessary for the construction, operation, and maintenance of Distribution Customer's Facilities; and
 - (3) Complete all environmental impact studies necessary for the construction, operation, and maintenance of Distribution Customer's Facilities.

- (b) At the Distribution Provider's request, the Distribution Customer shall provide to the Distribution Provider the Distribution Customer's electrical specifications and design drawings pertaining to Distribution Customer's Facilities for the Distribution Provider's review prior to finalizing the design of Distribution Customer's

Facilities and before beginning construction work based on such specifications and drawings. The Distribution Customer shall provide to the Distribution Provider reasonable advance written notice of any changes in Distribution Customer's Facilities and provide to the Distribution Provider specifications and design drawings of any such changes for the Distribution Provider's review and approval. The Distribution Provider may require modifications to such specifications and designs as it deems necessary to allow the Distribution Provider to operate the Distribution Provider's electric system in accordance with Good Utility Practice.

- (c) The total installed capacity (net of Station Use) of the Distribution Customer's Resources shall not exceed the Nameplate Rating.

2.2.2 Construction

- (a) The Distribution Customer, at the Distribution Customer's sole expense, shall construct Distribution Customer's Facilities.
- (b) The Distribution Provider shall have the right to review and consult with the Distribution Customer regarding the Distribution Customer's construction schedule.
- (c) The Distribution Provider shall have the right to periodically inspect the Distribution Customer's Facilities prior to initial operation upon advance notice to the Distribution Customer. The Distribution Customer, at its option, may be present at such inspection.

2.2.3 Operation

- (a) The Distribution Customer shall operate Distribution Customer's Facilities in accordance with any applicable ISO, NERC or WSCC criteria and Good Utility Practice, including, but not limited to, following voltage schedules, free governor response, meeting power factor requirements at the Point of Receipt, equipment maintenance coordination, and communication of necessary data, information, or reports.
- (b) The Distribution Customer shall operate its Resource to generate such reactive power or provide individual power factor correction as necessary to maintain voltage levels and reactive power support as may be required by the Distribution Provider. The Distribution Customer shall not deliver excess reactive power to the Distribution Provider unless otherwise agreed upon between the Parties. If the Distribution Customer fails to provide reactive power support, the Distribution Provider may do so at the Distribution Customer's expense.
- (c) The Distribution Customer's Resource shall be designed and operated so as to prevent or protect against the following adverse conditions on the Distribution Provider's electric system: inadvertent and unwanted re-energization of a utility dead line or bus; interconnection while out of synchronization, overcurrent, voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits, poor power factor or reactive power outside permitted limits;

and abnormal waveforms.

- (d) Distribution Customer's Facilities shall be operated with all of the Distribution Customer's protective apparatus in service whenever its Resource is connected to, or is operated in parallel with, the Distribution Provider's electric system. Any deviation for brief periods of emergency or maintenance shall only be by agreement of the Parties.
- (e) The Distribution Customer shall maintain operating communications with the Distribution Provider's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.
- (f) The Distribution Provider may require the Distribution Customer, at the Distribution Customer's expense, to demonstrate to the Distribution Provider's satisfaction the correct calibration and operation of the Distribution Customer's protective apparatus at any time the Distribution Provider has reason to believe that said protective apparatus may impair the Distribution Provider's electric system integrity.

2.2.4 Maintenance

- (a) The Distribution Customer shall maintain Distribution Customer's Facilities in accordance with Good Utility Practice.

- (b) The Parties shall cooperate with one another in scheduling maintenance to any interconnection facility or in taking any interconnection facility out of service, provided that in an emergency the Distribution Provider may take facilities out of service if necessary to protect the Distribution Provider's system.
- (c) The Distribution Customer shall notify the Distribution Provider by January 1, May 1, and September 1 of each year, of the estimated scheduled maintenance for the succeeding four months.

2.2.5 The Distribution Customer shall not commence parallel operation of Distribution Customer's Facilities with the Distribution Provider's electric system until written approval for operation of the interconnection facilities has been given by the Distribution Provider. Such approval shall not be unreasonably withheld. The Distribution Customer shall notify the Distribution Provider of the Distribution Customer's intent to energize the interconnection facilities not less than forty-five (45) calendar days prior to such energizing. The Distribution Provider shall have the right to inspect Distribution Customer's Facilities within thirty (30) calendar days of receipt of such notice. If the Distribution Customer's Facilities are not approved by the Distribution Provider, the Distribution Provider shall provide written notice to the Distribution Customer stating the reasons for the Distribution Provider's disapproval within five (5) calendar days of the inspection.

2.2.6 The Distribution Customer shall provide written notice to the Distribution

Provider at least fourteen (14) calendar days prior to the initial and subsequent testing of the Distribution Customer's protective apparatus.

The Distribution Customer's protective apparatus shall be tested thereafter at intervals not to exceed four (4) years for system voltages less than 66kV, two (2) years for system voltages of 66kV to 200kV, and one (1) year for system voltages of 200kV and above. All such tests shall be performed using qualified personnel. The Distribution Provider shall have the right to have a representative present at the initial and subsequent testing of the Distribution Customer's protective apparatus and to receive copies of the test results.

- 2.2.7 The Distribution Customer shall be responsible for the installation, operation and maintenance of equipment to protect Distribution Customer's facilities in such a manner that faults or other disturbances on the Distribution Provider's electric system do not cause damage to Distribution Customer's facilities. As set forth in Section 12.1 of the Tariff, the Distribution Provider will plan, construct, operate and maintain its Distribution System in accordance with Good Utility Practice in order to provide the Distribution Customer with stable, reliable, and high quality Distribution Service over the Distribution Provider's Distribution System.
- 2.2.8 Review by the Distribution Provider of the design, construction, operation, or maintenance of Distribution Customer's Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Distribution Customer

shall in no way represent to any third party that any such review by the Distribution Provider of such facilities including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Distribution Provider is a representation by the Distribution Provider as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Distribution Customer is solely responsible for economic and technical feasibility, operational capability, and reliability of Distribution Customer's Facilities.

- 2.3 The Distribution Customer shall keep the Distribution Provider informed on a timely basis of changes in Generation and cooperate in planning any addition to or upgrade of interconnection facilities to accommodate additions to Generation. The Distribution Customer shall provide to the Distribution Provider by September 1 of each year an update of the information set forth in Section 2 of the Specifications for Wholesale Distribution Service for the following five calendar years.
3. Each party shall appoint an Operating Representative for the purpose of facilitating communication between the parties, exchanging data on forecasted Generation necessary for long-term planning, coordinating operating criteria and activities, developing detailed operating procedures as necessary, and addressing other technical and operational considerations required for implementation of the Service Agreement and Tariff. The Operating Representatives shall not have any authority to modify, amend, terminate, or supersede any provision of the Service Agreement or Tariff; or to require any expansion of or addition to the Distribution Provider's Distribution System. The Distribution Provider shall have the authority to adopt rules or

procedures for the implementation of the Service Agreement and the Tariff that are consistent with such Service Agreement and Tariff, provided that the Distribution Customer shall not be deemed to have waived any right it may have to contest such rules or procedures before the Commission or any other forum having jurisdiction over the Service Agreement.

4. Each Party shall, upon request, provide the other Party with such reports and information concerning its operation as are reasonably necessary to enable each Party to operate its distribution system safely and efficiently.

5. Load Shedding and Curtailment Procedures: If a system contingency or constraint requires Curtailment of ISO schedules, the Distribution Customer shall curtail its ISO schedules as requested by the Distribution Provider. Such ISO schedule Curtailments shall be implemented only to the extent that they effectively mitigate the contingency or relieve the constraint, or that they are directed by the ISO. Such Curtailment shall continue only for so long as reasonably necessary under Good Utility Practice and shall be made on an equitable, non-discriminatory basis with respect to all Resources directly connected to the Distribution System.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Attachment I, Attachment I Generator Interconnection Procedures, 10.0.0, A
Record Narrative Name: Attachment I Generator Interconnection Procedures (GIP)
Tariff Record ID: 98
Tariff Record Collation Value: 1331562 Tariff Record Parent Identifier: 0
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ATTACHMENT I

GENERATOR
INTERCONNECTION PROCEDURES (GIP)

Tariff Record Proposed Effective Date:

05/30/2018

Version

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Option Code: A

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GENERATOR INTERCONNECTION PROCEDURES (GIP)

Section 1. Objectives and Applicability

1.1 Objectives

The objective of this GIP is to implement the requirements for Generating Facility interconnections to the Distribution System. This GIP applies to all Generating Facilities, regardless of size. GIP Sections 2, 3 and 8-11 are general provisions applicable to all Interconnection Requests. GIP Sections 4, 5, 6, and 7 apply to Interconnection Requests submitted under the Cluster Study Process, the Independent Study Process, the Fast Track Process, and the Under 10 kW Inverter Process, respectively.

1.2 Applicability

The applicability of each process is as follows:

The Cluster Study Process is available to any Interconnection Customer that (1) is proposing to interconnect a proposed Generating Facility with the Distribution Provider's Distribution System, (2) is seeking to increase the capacity of a Generating Facility that has achieved Commercial Operation, or (3) is exercising the option to seek Full Capacity Deliverability Status or Partial Capacity Deliverability Status in accordance with GIP Section 4.7. The Cluster Study Process shall be used by an Interconnection Customer if its Generating Facility (1) does not qualify for the Independent Study Process, the Fast Track Process, or the Under 10 kW Inverter Process; (2) does not pass the Electrical Independence Test under the Independent Study Process; or (3) is certified but did not pass the Fast Track Process or the Under 10 kW Inverter Process.

The Independent Study Process is available to any Interconnection Customer that is either proposing to interconnect a proposed Generating Facility with the Distribution Provider's Distribution System or is seeking to increase the capacity of a Generating Facility that has achieved Commercial Operation, and that is electrically independent of Interconnection Requests from any earlier-queued Generating Facilities.

The Fast Track Process is available to any Interconnection Customer proposing to interconnect a proposed certified Generating Facility with the Distribution Provider's Distribution System that meets the eligibility requirements of GIP Section 6.1.1 and that meets the codes, standards, and certification requirements of Appendices 8 and 9 of these procedures, or the Distribution Provider has reviewed the design or tested the proposed Generating Facility and is satisfied that it is safe to operate.

The Under 10 kW Inverter Process is available to any Interconnection Customer proposing to interconnect a proposed certified inverter-based Generating Facility no larger than 10 kilowatts (kW).

The procedures relevant to the Transition Process, as applicable, for interconnection requests transitioning from the Clustering Large Generator Interconnection Procedures (Attachment H to the Tariff) and the Small Generator Interconnection Procedures (Attachment G to the Tariff) to the processes set forth in this GIP are detailed in Appendix 2 to the GIP.

Section 2. Definitions

Terms used in this GIP with initial capitalization shall have the meanings set for below. The singular of any definition shall include the plural and the plural shall include the singular. If a term with initial capitalization used herein is not defined, such term shall have the meanings ascribed to such term in Section 1 of the Tariff.

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 Distribution Provider's Distribution System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

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

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

Annual Full Capacity Deliverability Study shall mean the annual deliverability study performed by the ISO described in GIP Section 4.7, under which a Generating Facility previously studied as Energy-Only Deliverability Status will have an option to determine whether it can be designated for Full Capacity Deliverability Status or Partial Capacity Deliverability Status using available transmission capacity.

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

Applicable Reliability Council shall mean the reliability council applicable to the Distribution System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC,

the Applicable Reliability Council, and the Control Area of the Distribution System to which the Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.

Area Deliverability Constraint shall mean a Transmission System operating limit that either (a) would constrain the deliverability of a substantial number of generators if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to additional generating facilities in one or more specified geographic or electrical areas of the ISO Grid in a total amount that is greater than the TP Deliverability for those areas; (b) constrains a quantity of generation in a local area of the grid that is larger than the generation amount identified in the applicable transmission planning process portfolio for the entire portfolio area; or (c) constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

Area Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve an Area Deliverability Constraint.

Base Case shall mean data including, but not limited to, base power flow, short circuit and stability data bases, underlying load, generation, and transmission facility assumptions, contingency lists, including relevant special protection systems, and transmission diagrams used to perform the Interconnection Studies. The Base Case may include Critical Energy Infrastructure Information (as that term is defined by FERC). The Base Case shall include transmission facilities as approved by the Distribution Provider or ISO, as applicable, and Distribution Upgrades and Network Upgrades associated with generating facilities in (iv) below and generating facilities that (i) are directly interconnected to the Distribution System or ISO Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to the Distribution System or an Affected System; or (iv) are not interconnected to the Distribution System or ISO Grid, but are subject to a fully executed generator interconnection agreement (or its equivalent predecessor agreement) or for which an unexecuted generator interconnection agreement (or its equivalent predecessor agreement) has been requested to be filed with FERC.

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

Breaching Party shall mean a Party that is in Breach of the GIA.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

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

Charging Capacity shall mean the capacity provided under the GIA to meet the Charging Demand of a Generating Facility that includes storage, subject to available capacity on the Distribution System and any operating conditions and/or limitations as may be set forth in the GIA.

Charging Demand shall mean the flow of wholesale electric energy from the Distribution System solely to charge the storage component of the Generating Facility from the Distribution System for later redelivery of such energy, net of Generating Facility losses, to the Distribution System. Charging Demand does not include the delivery of energy for purposes that are subject to the Distribution Provider's retail tariff.

Cluster Application Window shall mean the time period for submitting Interconnection Requests under the Cluster Study Process as set forth in GIP Section 4.1.

Cluster Study Process shall mean the interconnection study process set forth in GIP Section 4.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale or storing electricity for later resale, excluding electricity generated or stored during Trial Operation.

Commercial Operation Date of an Electric Generating Unit shall mean the date on which an Electric Generating Unit at a Generating Facility commences Commercial Operation as agreed to by the Parties.

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.

Construction Activities shall mean actions by the Distribution Provider that result in irrevocable financial commitments for the purchase of major electrical equipment or land for Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer that occur after receipt of the appropriate governmental approvals needed for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

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 an Applicable Reliability Council.

CPUC shall mean the California Public Utilities Commission or its successor.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with the GIA.

Deliverability shall mean the annual Net Qualifying Capacity (as defined in the ISO Tariff) of a Generating Facility, as verified through a Deliverability Assessment and measured in MW, which specifies the amount of resource adequacy capacity the Generating Facility is eligible to

provide.

Deliverability Assessment(s) shall mean an evaluation performed by the ISO pursuant to the ISO's On-Peak Deliverability Assessment posted on the ISO's website, to determine if a Generating Facility or a group of Generating Facilities could provide energy to the ISO Grid and be delivered to the aggregate of load on the ISO Grid at peak load, under a variety of severely stressed conditions as further described in GIP Section 4.5.4.2.

Delivery Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, other than Reliability Network Upgrades, identified in the Interconnection Studies to relieve constraints on the ISO Grid. Delivery Network Upgrades may be further classified as Local Delivery Network Upgrades or Area Delivery Network Upgrades.

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

Distribution Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the GIA to the extent necessary.

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

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

Distribution Service shall mean the wholesale distribution service provided under the Tariff.

Distribution System shall mean those non-ISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide Distribution Service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

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

Effective Date shall mean the date on which the GIA 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 or storage device and its associated plant and apparatus whose electrical output is capable of being separately identified and metered.

Electrical Independence Test shall mean the test set forth in GIP Section 5.5 used to determine eligibility for the Independent Study Process.

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

Energy-Only Deliverability Status shall mean a condition on the ISO Grid elected by an Interconnection Customer for a Generating Facility interconnected to Distribution System, the result of which is that the Interconnection Customer is responsible only for the costs of Reliability Network Upgrades and is not responsible for the costs of Delivery Network Upgrades, but the Generating Facility will be deemed to have a Net Qualifying Capacity (as defined in the ISO Tariff) of zero and, therefore, cannot be considered to be a Resource Adequacy Resource (as defined in the ISO Tariff).

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

Environmental Law shall mean Applicable Laws and Regulations relating to

pollution or protection of the environment or natural resources.

Fast Track Process shall mean the interconnection study process set forth in GIP Section 6.

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

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

Full Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that could be as large as its Qualifying Capacity (as defined in the ISO Tariff) and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO.

Generating Facility shall mean Interconnection Customer's Electric Generating Unit(s) used for the production and/or storage for later injection of electricity identified in the 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 Electric Generating Units.

Generator Interconnection Agreement (GIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility processed pursuant to the GIP, *pro forma* versions of which are set forth in Appendix 5 to the GIP for Interconnection Requests under the Cluster Study Process, Appendix 6 to the GIP for Interconnection Requests under the Independent Study Process, Appendix 7 to the GIP for Interconnection Requests under the Fast Track Process, and Appendix 10 to the GIP for Interconnection Requests under the Under 10 kW Inverter Process. For an Interconnection Customer who chooses a state-jurisdictional generator interconnection agreement pursuant to GIP Section 4.9.1, the *pro forma* version will be the CPUC-approved form Rule 21 GIA.

Generator Interconnection Procedures (GIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Generating Facility set forth in this Attachment I to the Tariff.

Generator Interconnection Study Process Agreement shall mean the agreement entered into by the Interconnection Customer and the Distribution Provider which sets forth the Parties' agreement to perform Interconnection Studies under the Cluster Study Process, a *pro forma* version of which is set forth in Appendix 3 of the GIP.

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

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

Group Study shall mean the process whereby more than one Interconnection Request are studied together, instead of individually, for the purpose of conducting one or more of the Interconnection Studies or analyses therein.

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.

Independent Study Process shall mean the interconnection study process set forth in GIP Section 5.

Independent Study Process Study Agreement shall mean the agreement entered into by the Interconnection Customer and the Distribution Provider which sets forth the Parties' agreement to perform Interconnection Studies under the Independent Study Process, a *pro forma* version of which is set forth in Appendix 4 to the GIP.

Initial Synchronization Date shall mean the date upon which the Generating Facility 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 Distribution Provider's

Interconnection Facilities to obtain back feed power.

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

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in the GIA, 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 Distribution Provider's Distribution System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Distribution Provider'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 Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Distribution Provider for an Interconnection Customer under the Independent Study Process to determine a list of facilities (including Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Distribution Provider's Distribution System. The scope of the study is defined in GIP Section 5.8.2.1.

Interconnection Financial Security shall mean any of the financial instruments listed in GIP Sections 4.8.1 and 5.9.1 provided by the Interconnection Customer to comply with its obligations under the GIP or the GIA.

Interconnection Handbook shall mean a handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. Distribution Provider'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 the Generator Interconnection Procedures (GIP) and the terms of the Distribution Provider's Interconnection Handbook, the terms in the GIP shall govern.

Interconnection Request shall mean an Interconnection Customer's request, in

the form of Appendix 1 to the GIP or Appendix 10 to the GIP, as applicable, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Distribution Provider's Distribution System, or to change the deliverability status of a Generating Facility previously studied as having Energy-Only Deliverability Status.

Interconnection Service shall mean the service provided by the Distribution Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Distribution Provider's Distribution System and enabling it to receive, or deliver for the Charging Demand, electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the GIA and, if applicable, the Distribution Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Phase I Interconnection Study, the Phase II Interconnection Study, the Interconnection System Impact Study and the Interconnection Facilities Study.

Interconnection Study Cycle shall mean all requirements, actions, and respective obligations of the Distribution Provider and Interconnection Customer under the Cluster Study Process of the GIP applicable to an Interconnection Request submitted in a particular Cluster Application Window.

Interconnection Study Deposit shall mean the cash deposit provided to the Distribution Provider under GIP Sections 4.2.1 or 5.2.1 as a requirement of a valid Interconnection Request to be used to offset the cost of the Interconnection Studies.

Interconnection System Impact Study shall mean an engineering study conducted by the Distribution Provider for an Interconnection Customer under the Independent Study Process that evaluates the impact of the proposed interconnection on the safety and reliability of Distribution Provider's Distribution System and, if applicable, an Affected System. The scope of the study is defined in GIP Section 5.8.1.1.

IRS shall mean the Internal Revenue Service.

ISO shall mean the California Independent System Operator Corporation, a state-chartered, nonprofit, corporation that controls certain transmission facilities of all Participating Transmission Owners and dispatches certain generating units and loads.

ISO Grid shall mean the system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the ISO's operational control.

ISO's Generator Interconnection Procedures (ISO Tariff GIP) shall mean the procedures included in either Appendix Y or Appendix DD of the ISO Tariff to

interconnect a Generating Facility directly to the ISO Grid, as such procedures may be modified from time to time, and accepted by the Commission.

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

Local Deliverability Constraint shall mean a Transmission System operating limit that would be exceeded if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to one or more additional Generating Facilities interconnecting to the ISO Grid in a specific local area, and that is not an Area Deliverability Constraint.

Local Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve a Local Deliverability Constraint.

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

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

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

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

Network Upgrades shall mean Delivery Network Upgrades and Reliability Network Upgrades.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the GIA or its performance.

Off-Peak Deliverability Assessment shall mean the technical study performed under GIP Section 4.5.4.2.2.

On-Peak Deliverability Assessment shall mean the technical study performed under GIP Section 4.5.4.2.1.

Partial Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that cannot be larger than a specified MW amount of its Qualifying Capacity (as defined in the ISO Tariff), and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO. An Interconnection Customer requesting Partial Capacity Deliverability Status must specify the MW amount of Full Capacity Deliverability Status it is seeking in its Interconnection Request.)

Party or Parties shall mean Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Phase I Interconnection Study shall mean the engineering study conducted by the Distribution Provider, that evaluates the impact of the proposed interconnection on the safety and reliability of the Distribution System, ISO Grid and, if applicable, an Affected System. The portion of the study required to evaluate the impacts on the ISO Grid will be directed by the ISO and will be completed in a manner consistent with the ISO Tariff GIP. The study shall identify and detail the system impacts that would result if the Generating Facility(ies) were interconnected without identified project modifications or system modifications, as provided in the On-Peak Deliverability Assessment or Off-Peak Deliverability Assessment, and other potential impacts, including but not limited to those identified in the Scoping Meeting as described in the GIP. The study will also identify the approximate total costs of mitigating these impacts, along with an equitable allocation of those costs to Interconnection Customers for their individual Generating Facilities.

Phase II Interconnection Study shall mean an engineering and operational study conducted by the Distribution Provider to determine the Point of Interconnection and a list of facilities (including Distribution Provider's Interconnection Facilities, Network Upgrades, Distribution Upgrades, and Stand Alone Network Upgrades), the estimated cost of those facilities, and the estimated time required to interconnect the Generating Facility(ies) with the Distribution System. The portion of the study required to evaluate the impacts on the ISO Grid will be directed by the ISO and will be completed in a manner consistent with the ISO Tariff GIP.

Point of Change of Ownership shall mean the point, as set forth in the GIA, where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in the GIA, where the Interconnection Facilities connect to the Distribution Provider's Distribution System.

Pre-Construction Activities shall mean the actions by the Distribution Provider, other than those required by an Engineering and Procurement Agreement under GIP Section 8, undertaken prior to Construction Activities in order to prepare for the

construction of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer, including, but not limited to, preliminary engineering, permitting activities, environmental analysis, or other activities specifically needed to obtain governmental approvals for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

Queue Cluster shall mean a set of Interconnection Requests in an Interconnection Study Cycle processed pursuant to the Cluster Study Process.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the GIP or the GIA, 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.

Reliability Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, necessary to interconnect one or more Generating Facility(ies) safely and reliably to the ISO Grid, which would not have been necessary but for the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which system operating limits cannot be adequately mitigated through the ISO's congestion management, operating procedures, or special protection systems based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with the Applicable Reliability Council's practice and Applicable Reliability Standards, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.

Results Meeting shall mean the meeting among the Distribution Provider, the Interconnection Customer, and if applicable, the ISO and other Affected System Operators to discuss the results of the Interconnection Studies as set forth in the GIP.

Rule 21 shall mean SCE's Electric Tariff Rule 21 specified in the Distribution Provider's tariff on file with the CPUC.

Rule 21 GIA shall mean the form of interconnection agreement applicable to an Interconnection Request for an Interconnection Customer who chooses a state-jurisdictional generator interconnection agreement pursuant to GIP Section 4.9.1, the *pro forma* version of which will be the CPUC-approved form Rule 21 generator interconnection agreement for projects studied under the Cluster Study Process.

Scoping Meeting shall mean the meeting between representatives of the

Interconnection Customer and Distribution Provider, and if applicable, the ISO, conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

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

Site Exclusivity Deposit shall mean the cash deposit provided to the Distribution Provider by Interconnection Customers under GIP Section 4.2.1 or 5.2.1 as an option in lieu of demonstrating Site Exclusivity for a valid Interconnection Request and treated in accordance with GIP Section 4.2.1.2 or 5.2.1.2.

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

Smart Inverter shall mean a Generating Facility's inverter that performs functions that when activated can autonomously contribute to grid support during excursions from normal operating voltage and frequency system conditions by providing dynamic reactive/real power support, voltage and frequency ride-through, ramp rate controls, communication systems with ability to accept external commands and other functions.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Distribution Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in an Appendix to the GIA.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Distribution Provider's Distribution System, the ISO 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 Distribution

Provider's Distribution System, the ISO Grid or on other delivery systems or other generating systems to which the Distribution Provider's Distribution System and Transmission System is directly connected.

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

TP Deliverability shall mean the capability, measured in MW, of the ISO Grid as modified by transmission upgrades and additions modeled or identified in the annual Transmission Plan to support the interconnection with Full Capacity Deliverability Status or Partial Capacity Deliverability Status of additional Generating Facilities in a specified geographic or electrical area of the ISO Grid.

Transmission Plan shall mean the report prepared by the ISO on an annual basis pursuant to Section 24 of the ISO Tariff, which documents the outcome of the ISO's transmission planning process by which the ISO assesses the ISO Grid.

Transmission System shall mean those transmission facilities owned by the Distribution Provider or that have been placed under the ISO's operational control and are part of the ISO Grid.

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

Uncontrollable Force shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force event does not include acts of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force.

Under 10 kW Inverter Process shall mean the interconnection study process set forth in GIP Section 7.

Section 3. General Provisions Applicable to All Interconnection Requests

3.1 Pre-Application

3.1.1 The Distribution Provider shall designate an employee or office from which information on the application process and on an

Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on the Distribution Provider's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Distribution Provider's Distribution System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The Distribution Provider shall comply with reasonable requests for such information.

3.1.2 In addition to the information described in GIP Section 3.1.1, which may be provided in response to an informal request, an Interconnection Customer may submit a formal written request form along with a non-refundable fee of \$300 for a pre-application report on a proposed project at a specific site. The Distribution Provider shall provide the pre-application data described in GIP Section 3.1.3 to the Interconnection Customer within twenty (20) Business Days of receipt of the completed request form and payment of the \$300 fee. The pre-application report produced by the Distribution Provider is non-binding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the Distribution Provider's system. The written pre-application report request form shall include the information in GIP Sections 3.1.2.1 through 3.1.2.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection.

3.1.2.1 Project contact information, including name, address, phone number, and email address.

3.1.2.2 Project location (street address with nearby cross streets and town)

3.1.2.3 Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.

3.1.2.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)

3.1.2.5 Size (alternating current kW)

3.1.2.6 Single or three phase generator configuration

3.1.2.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)

3.1.2.8 Is new service requested? Yes or No? If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.

3.1.3 Using the information provided in the pre-application report request form in GIP Section 3.1.2, the Distribution Provider will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by the Distribution Provider does not necessarily indicate, after application of the screens and/or study, that this would be the circuit the project ultimately connects to. The Interconnection Customer must request additional pre-application reports if information about multiple Points of Interconnection is requested. Subject to GIP Section 3.1.4, the pre-application report will include the following information:

3.1.3.1 Total capacity (in megawatts (MW)) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Interconnection.

3.1.3.2 Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed Point of Interconnection.

3.1.3.3 Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed Point of Interconnection.

3.1.3.4 Available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).

3.1.3.5 Substation nominal distribution voltage and/or transmission nominal voltage if applicable.

3.1.3.6 Nominal distribution circuit voltage at the proposed Point of Interconnection.

- 3.1.3.7 Approximate circuit distance between the proposed Point of Interconnection and the substation.
 - 3.1.3.8 Relevant line section(s) actual or estimated peak load and minimum load data, including daytime minimum load as described in GIP Section 6.11.1.1 below and absolute minimum load, when available.
 - 3.1.3.9 Number and rating of protective devices and number and type (standard, bi-directional) of voltage regulating devices between the proposed Point of Interconnection and the substation/area. Identify whether the substation has a load tap changer.
 - 3.1.3.10 Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.
 - 3.1.3.11 Limiting conductor ratings from the proposed Point of Interconnection to the distribution substation.
 - 3.1.3.12 Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.
 - 3.1.3.13 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.
- 3.1.4 The pre-application report need only include existing data. A pre-application report request does not obligate the Distribution Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the Distribution Provider cannot complete all or some of a pre-application report due to lack of available data, the Distribution Provider shall provide the Interconnection Customer with a pre-application report that includes the data that is available. The provision of information on “available capacity” pursuant to GIP Section 3.1.3.4 does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the pre-application report may become outdated at the time of the submission of the complete Interconnection Request. Notwithstanding any of the provisions of this GIP

Section 3.1.4, the Distribution Provider shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

3.2 Interconnection Requests

An Interconnection Customer shall submit to Distribution Provider an Interconnection Request in the form of Appendix 1 to this GIP for processing under the Cluster Study Process, the Independent Study Process or the Fast Track Process. An Interconnection Customer shall submit to Distribution Provider an Interconnection Request in the form of Appendix 10 to this GIP for processing under the Under 10 kW Inverter Process. The Distribution Provider will forward a copy of the Interconnection Request to the ISO.

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

An Interconnection Request for the expansion of capacity of an existing Generating Facility shall be treated the same as an Interconnection Request for a new Generating Facility pursuant to this GIP.

If the Interconnection Customer also desires Distribution Service, then the Interconnection Customer shall submit to the Distribution Provider an Application in accordance with Section 15.2 of the Tariff, including the required deposit. If the Application for Distribution Service is deemed a Completed Application, then the schedule for performing the System Impact Study and the Facilities Study, or their equivalent, and for executing the Service Agreement shall coincide with the schedule for performing the Interconnection Studies, and executing the GIA under this GIP.

3.3 Interconnection Service

3.3.1 The Product. Interconnection Service allows Interconnection Customer to connect the Generating Facility to the Distribution System and be eligible to deliver the Generating Facility's output using the capacity of the Distribution System to the ISO Grid. Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.

3.3.2 No Applicability to Transmission Service or Distribution Service. Nothing in this GIP shall constitute a request for transmission service or Distribution Service or confer upon an Interconnection Customer any right to receive transmission service or Distribution Service.

3.3.3 Roles and Responsibilities.

3.3.3.1 Each Interconnection Request will be subject to the direction and oversight of the Distribution Provider. The Distribution Provider will conduct or cause to be performed the required Interconnection Studies and any additional studies the Distribution Provider determines to be reasonably necessary. The analysis of impacts on, and upgrades required to, the ISO Grid will be directed by the ISO pursuant to the terms and conditions of Appendix Y of the ISO Tariff for Queue Cluster 4 or Appendix DD of the ISO Tariff for Queue Cluster 5 and subsequent Queue Clusters. The Distribution Provider will perform all required studies related to the Distribution System and will coordinate with Affected System Operators in accordance with GIP Section 3.7.

3.3.3.2 The Distribution Provider will complete or cause to be completed all studies as required within the timelines provided in this GIP.

3.3.3.3 Delegation of Responsibility. Distribution Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this GIP. Distribution Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this GIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

3.3.3.4 Each Interconnection Customer shall pay the actual costs of all Interconnection Studies, and any additional studies the Distribution Provider determines to be reasonably necessary in response to the Interconnection Request. The Distribution Provider shall reimburse the ISO for the actual cost of any portion of the Interconnection Studies that the ISO performs related to the ISO Grid.

3.3.3.4.1 Where an Interconnection Study is performed by means of a Group Study, the cost of the Group Study will be charged pro rata to each Interconnection Request assigned to the Group Study. The cost of Interconnection Studies performed for an individual Interconnection Request, not part of a Group Study, will be charged solely to the Interconnection Customer that submitted the Interconnection Request.

3.3.3.4.2 The Distribution Provider shall issue invoices for Interconnection Studies that shall include a detailed and itemized accounting of the cost of each Interconnection Study. Whenever the actual cost of performing the Interconnection Studies exceeds the Interconnection Study Deposit, the Interconnection Customer shall pay the undisputed difference in accordance with the Distribution Provider issued invoice within thirty (30) Calendar Days. The Distribution Provider shall not be obligated to continue to have any studies conducted unless the Interconnection Customer has paid all undisputed amounts in compliance herewith.

3.4 Comparability

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

3.5 Base Case Data

Distribution Provider shall provide base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list upon request subject to confidentiality provisions in GIP Section 11.1. Distribution Provider is permitted to require that Interconnection Customer sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such Base Cases shall include all (i) generation projects and (ii) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

3.6 Internet Posting

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

Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes a GIA or requests that Distribution Provider file an unexecuted GIA with FERC. Before holding a Scoping Meeting with its Affiliate, Distribution Provider shall post on its website an advance notice of its intent to do so.

Distribution Provider shall post to its website any deviations from the study timelines set forth herein. The Distribution Provider shall also post to its website non-confidential portions of the Phase I Interconnection Study or the Interconnection System Impact Study, as applicable, following the final Results Meeting or thirty (30) Calendar Days after the completion of such study if the Results Meeting is waived, and non-confidential portions of the Phase II Interconnection Study or the Interconnection Facilities Study, as applicable, no later than publication of the ISO's final Transmission Plan.

3.7 Coordination with Affected Systems

The Distribution Provider will notify the Affected System Operators that are potentially affected by an Interconnection Customer's Interconnection Request or group of Interconnection Requests subject to a Group Study. The Distribution Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this GIP. Distribution Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this GIP. Interconnection Customer will cooperate with Distribution Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A transmission provider which may be an Affected System shall cooperate with Distribution Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

3.8 Capacity of the Generating Facility

The Interconnection Request shall be evaluated using the maximum capacity that the Generating Facility is capable of injecting into the Distribution Provider's electric system and, in the case of Generating Facilities with storage, the maximum Charging Demand the storage device is capable of receiving. However, if the maximum capacity that the Generating Facility is capable of injecting into, and/or receiving from for the Charging Demand in the case of storage, the Distribution Provider's electric system is limited (e.g., through use of a control system, power relay(s), or other similar device settings or adjustments), then the Interconnection Customer must obtain the Distribution Provider's agreement, with such agreement not to be unreasonably withheld, that the manner in which the Interconnection Customer proposes to implement such a limit will not adversely affect the safety and reliability of the Distribution Provider's system. If the Distribution Provider does not so agree, then the Interconnection Request must be withdrawn or revised to specify the maximum capacity that the Generating Facility is capable of injecting into, and/or receiving from for the Charging Demand in the case of storage, the Distribution Provider's electric system without such limitations. Furthermore, nothing in this section shall prevent a Distribution Provider from considering an output higher than the limited output or Charging Demand higher than the limited Charging Demand, if appropriate, when evaluating system protection impacts.

3.9 Proposed Commercial Operation Date

The proposed Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility shall not exceed seven years from the date the Interconnection Request is received by Distribution Provider, unless Interconnection Customer demonstrates and the Distribution Provider agrees, such agreement not to be unreasonably withheld, that engineering, permitting and construction of the new Generating Facility or increase in capacity of the existing Generating Facility will take longer than the seven year period. For Interconnection Requests in Queue Cluster 5 and subsequent Queue Clusters, the Distribution Provider's agreement to an extension of the proposed Commercial Operation Date does not relieve the Interconnection Customer from compliance with the requirements of any of the criteria in GIP Section 4.6.13.1 for retention of TP Deliverability.

3.10 Transferability of Interconnection Request

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

3.11 Withdrawal

Interconnection Customer may withdraw its Interconnection Request at

any time by written notice of such withdrawal to Distribution Provider, and the Distribution Provider will notify the ISO and Affected System Operators, if any, within three (3) Business Days of receipt of such a notice. In addition, after confirmation by the Distribution Provider of a valid Interconnection Request, if the Interconnection Customer fails to adhere to all requirements of this GIP, except as provided in GIP Section 11.2 (Disputes), Distribution Provider shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal within five (5) Business Days and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, Interconnection Customer shall have five (5) Business Days in which to either respond with information or action that either cures the deficiency or supports its position that the deemed withdrawal was erroneous and notifies the Distribution Provider of its intent to pursue Dispute Resolution.

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

In the event of such withdrawal, Distribution Provider, subject to the provisions GIP Section 11.1 and GIP Sections 4.2.1.1 or 5.2.1.1, as applicable, shall provide, at Interconnection Customer's request, all information that Distribution Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.12 Reactive Power Requirements for Existing Non-Synchronous Generators

The reactive power requirements for non-synchronous generators set forth in FERC's Order No. 827 shall be applicable to: 1) the entirety of an existing non-synchronous Generating Facility in the event such Generating Facility makes modifications that require the submission of a new Interconnection Request, and a subsequent Interconnection Study finds that the reactive power requirement is necessary to ensure system safety or reliability; 2) new non-synchronous Electric Generating Units, when an existing Generating Facility replaces Electric Generating Units with new non-synchronous Electric Generating Units, whether or not submission of a new Interconnection Request is required.

3.13 Standards for Inverter Based Generating Facilities

Inverters used for the production, and/or later injection from storage, of electricity shall meet the inverter certification standards of UL-1741 and UL-1741 Supplement A utilizing the Smart Inverter requirements set forth

in Rule 21 for Interconnection Requests that are received and deemed valid on and after March 1, 2017.

Section 4. Cluster Study Process

4.1 Timing For Submitting Interconnection Requests

Interconnection Requests must be submitted during a Cluster Application Window. The Cluster Application Window for Queue Cluster 4 was open from March 2, 2011 through March 31, 2011. The Cluster Application Windows for Queue Cluster 5 were open from October 15, 2011 through November 15, 2011 and March 1, 2012 through March 31, 2012. Commencing with Queue Cluster 6, a single Cluster Application Window associated with each Interconnection Study Cycle will open on April 1 and close on April 30 of each year. In the event that any date set forth in this section is not a Business Day, then the applicable date shall be the next Business Day thereafter.

The Distribution Provider may change the Cluster Application Window interval and opening or closing dates at any time. Any changes to the Cluster Application Window interval and opening or closing dates will be posted on the Distribution Provider's website. If there is a conflict between the Cluster Application Window interval and opening or closing dates posted on the Distribution Provider's website and the dates identified in the paragraph above, the dates posted on the Distribution Provider's website shall control.

4.2 Processing of Interconnection Request

4.2.1 Initiating an Interconnection Request. To initiate an Interconnection Request under the Cluster Study Process, an Interconnection Customer either seeking (1) to interconnect a proposed Generating Facility with the Distribution Provider's Distribution System, or (2) to increase the capacity of a Generating Facility that has achieved Commercial Operation, must submit during a Cluster Application Window all of the following: (i) an Interconnection Study Deposit equal to \$50,000 plus \$1,000 per MW of electrical output of the Generating Facility, or the increase in electrical output of the existing Generating Facility, as applicable, rounded up to the nearest whole megawatt, up to a maximum of \$250,000, (ii) a completed Interconnection Request in the form of Appendix 1 to the GIP, including requested Deliverability status, preferred Point of Interconnection and voltage level, and all other technical data, and (iii) demonstration of Site Exclusivity or a posting of a Site Exclusivity Deposit of \$100,000 for a Small Generating Facility or \$250,000 for a Large Generating Facility. The demonstration of Site Exclusivity, at a minimum, must be

through the Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility.

An Interconnection Customer seeking to exercise the Annual Full Capacity Deliverability Option for Full Capacity Deliverability Status or Partial Capacity Deliverability Status in accordance with GIP Section 4.7 must submit during the applicable Cluster Application Window all of the following: (i) a completed Interconnection Request in the form of Appendix 1 to the GIP, including requested Deliverability status, preferred Point of Interconnection and voltage level, and all other technical data, and (ii) a non-refundable \$10,000 study fee.

4.2.1.1 Use of Interconnection Study Deposit. The Interconnection Study Deposit shall be applied to pay for prudent costs incurred by the Distribution Provider, the ISO, or third parties at the direction of the Distribution Provider or ISO, as applicable, to perform and administer the Interconnection Studies.

The Interconnection Study Deposits shall be refundable as follows:

- (a) Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 on or before thirty (30) Calendar Days following the Scoping Meeting, the Distribution Provider shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit that exceeds the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).
- (b) Should an Interconnection Request made under GIP Section 4.2.1 be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 more than thirty (30) Calendar Days after the Scoping Meeting, but on or before thirty (30) Calendar Days

following the Results Meeting for the Phase I Interconnection Study, the Distribution Provider shall refund to the Interconnection Customer the difference between (i) the Interconnection Customer's Interconnection Study Deposit and (ii) the greater of the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf or one-half of the original Interconnection Study Deposit up to a maximum of \$100,000, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).

- (c) Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 at any time more than thirty (30) Calendar Days after the Results Meeting for the Phase I Interconnection Study, the Interconnection Study Deposit shall be non-refundable.
- (d) Upon execution of a GIA by an Interconnection Customer and the Distribution Provider, or the approval by FERC of an unexecuted GIA, the Distribution Provider shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit that exceeds the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).

Notwithstanding the foregoing, an Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request during an Interconnection Study Cycle shall be obligated to pay to the Distribution Provider all costs in excess of the Interconnection Study Deposit that have been prudently incurred or irrevocably have been

committed to be incurred with respect to that Interconnection Request prior to withdrawal. The Distribution Provider will reimburse the ISO or third parties, as applicable, for all work performed on behalf of the withdrawn Interconnection Request at the Distribution Provider's direction. The Interconnection Customer must pay all monies due before it is allowed to obtain any Interconnection Study data or results. Any proceeds of the Interconnection Study Deposit not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed to be incurred for the Interconnection Studies shall be remitted to the ISO and treated in accordance with Section 7.6 of Appendix DD to the ISO Tariff.

4.2.1.2 Use of Site Exclusivity Deposit. The Site Exclusivity Deposit shall be refundable to the Interconnection Customer at any time upon demonstration of Site Exclusivity or the Interconnection Request is withdrawn by the Interconnection Customer or deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11. The refund of the Site Exclusivity Deposit shall include interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii). The Site Exclusivity Deposit shall continue to be required after the Interconnection Customer either executes a GIA or requests the filing of an unexecuted GIA under GIP Section 9.1 if Site Exclusivity has not been demonstrated.

4.2.2 Validation of Interconnection Request.

4.2.2.1 Acknowledgment of Interconnection Request.

The Distribution Provider shall notify the Interconnection Customer within ten (10) Business Days of receipt of the Interconnection Request, which notice shall state whether the Interconnection Request is deemed valid.

4.2.2.2 Deficiencies in Interconnection Request. An Interconnection Request will not be considered to be a valid request until all items in GIP Section 4.2.1 have been received by Distribution Provider and deemed valid by the Distribution Provider. If an Interconnection Request fails to meet the requirements set forth in GIP Section 4.2.1, Distribution Provider shall include in its notification to the

Interconnection Customer under GIP Section 4.2.2.1 the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Distribution Provider the additional requested information needed to constitute a valid request. Whenever the additional requested information is provided by the Interconnection Customer, the Distribution Provider shall notify the Interconnection Customer within five (5) Business Days of receipt of the additional requested information whether the Interconnection Request is valid. If the Interconnection Request continues to fail to meet the requirements set forth in GIP Section 4.2.1, the Distribution Provider shall include in its notification to the Interconnection Customer the reasons for such failure. If an Interconnection Request has not been deemed valid, the Interconnection Customer must submit all information necessary to meet the requirements of GIP Section 4.2.1 no later than twenty (20) Business Days after the close of the applicable Cluster Application Window or ten (10) Business Days after the Distribution Provider first provided notice that the Interconnection Request was not valid, whichever is later. Interconnection Requests that have not met the requirements of GIP Section 4.2.1, within twenty (20) Business Days after the close of the applicable Cluster Application Window or ten (10) Business Days after the Distribution Provider first provided notice that the Interconnection Request was not valid, whichever is later, will not be included in Interconnection Study Cycle and will be deemed invalid.

Interconnection Requests deemed invalid under this GIP Section 4.2.2.2 are not subject to GIP Section 3.11. Interconnection Customers with invalid Interconnection Requests under this GIP Section 4.2.2.2 may seek relief under GIP Section 11.2 by so notifying the Distribution Provider within two (2) Business Days of the notice of invalidity.

4.3 Scoping Meeting

Within five (5) Business Days after the Distribution Provider notifies the Interconnection Customer of a valid Interconnection Request, the Distribution Provider shall establish a date agreeable to the Interconnection Customer and the ISO, if applicable, for the Scoping Meeting. All Scoping Meetings shall occur no later than sixty (60) Calendar Days after the close of the Cluster Application Window, unless otherwise mutually agreed upon by the Parties. The Distribution

Provider, in coordination with the ISO, shall determine whether the Interconnection Request is at or near the boundary of an Affected System(s) so as to potentially affect such third parties. If such a determination is made, the Distribution Provider shall invite the Affected System Operator(s) in accordance with GIP Section 3.7, to the Scoping Meeting by informing such third parties of the time and place of the scheduled Scoping Meeting as soon as practicable.

A Scoping Meeting is not required for Interconnection Customers seeking to exercise the Annual Full Capacity Deliverability Option under GIP Section 4.7.1 for Full Capacity Deliverability Status or Partial Capacity Deliverability Status.

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

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

4.4 Generator Interconnection Study Process Agreement

Within thirty (30) Calendar Days of the close of the Cluster Application Window, the Distribution Provider shall provide to each Interconnection Customer with a validated Interconnection Request received during the Cluster Application Window a pro forma Generator Interconnection Study Process Agreement in the form set forth in Appendix 3 to the GIP. The pro forma Generator Interconnection Study Process Agreement shall

specify that the Interconnection Customer is responsible for the actual cost of the Interconnection Studies, including reasonable administrative costs, and all requirements of this GIP. Within three (3) Business Days following the Scoping Meeting, the Interconnection Customer shall specify for inclusion in the attachment to the Generator Interconnection Study Process Agreement the Point of Interconnection for the Phase I Interconnection Study. Within ten (10) Business Days following the Distribution Provider's receipt of such designation, the Distribution Provider, in coordination with the ISO, shall provide to the Interconnection Customer a signed Generator Interconnection Study Process Agreement. The Interconnection Customer shall execute and deliver to the Distribution Provider the Generator Interconnection Study Process Agreement no later than thirty (30) Calendar Days after the Scoping Meeting.

A Generator Interconnection Study Process Agreement is not required for Interconnection Customers seeking to exercise the Annual Full Capacity Deliverability Option under GIP Section 4.7.1 for Full Capacity Deliverability Status or Partial Capacity Deliverability Status.

4.5 Interconnection Studies

4.5.1 Grouping Interconnection Requests. At Distribution Provider's option, and in coordination with the ISO, as applicable, an Interconnection Request received during a particular Cluster Application Window may be studied individually or in a Group Study for the purpose of conducting one or more of the analyses forming the Interconnection Studies. For each Interconnection Study within an Interconnection Study Cycle, the Distribution Provider, in coordination with the ISO, may develop one or more Group Studies. A Group Study will include Interconnection Requests that electrically affect one another with respect to the analysis being performed without regard to the nature of the underlying Interconnection Service and the ISO's annual Transmission Plan. Grouping of Interconnection Requests for the purpose of determining Distribution System impacts and mitigation, as determined by the Distribution Provider, may differ from the grouping required for determining impacts and mitigation on the ISO Grid as determined by the Distribution Provider, in coordination with the ISO, given the non-network nature of the Distribution System. The Distribution Provider may also, in coordination with the ISO, as applicable, conduct an Interconnection Study for an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Generating Facility from other Generating Facilities with Interconnection Requests in the same Interconnection Study Cycle.

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

4.5.2 The Interconnection Studies. The Interconnection Studies consist of a Phase I Interconnection Study and a Phase II Interconnection Study, which will include, but not be limited to, short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The analysis of impacts on, and upgrades required to, the ISO Grid will be directed by the ISO pursuant to the terms and conditions of Appendix Y of the ISO Tariff for Queue Cluster 4 or Appendix DD of the ISO Tariff for Queue Cluster 5 and subsequent Queue Clusters. The Interconnection Studies will identify direct Interconnection Facilities, Distribution Upgrades and required Reliability Network Upgrades necessary to mitigate thermal overloads and voltage violations, and address short circuit, stability, and reliability issues associated with the output of the Generating Facility. For Generating Facilities with storage which will charge from the Distribution System, the Interconnection Studies will include a non-binding preliminary analysis of the ability of the Distribution System to accommodate the requested Charging Capacity utilizing available capacity on the existing Distribution System and subject to limitations and/or restrictions as may be set forth in the GIA.

The Interconnection Studies will also identify Delivery Network Upgrades to allow the full output of a Generating Facility selecting Full Capacity Deliverability Status, the elected output of a Generating Facility seeking Partial Capacity Deliverability Status, and, as applicable, the maximum allowed output of the interconnecting Generating Facility without one or more Delivery Network Upgrades in accordance with the On-Peak Deliverability Assessment and Off-Peak Deliverability Assessment set forth in Appendix Y of the ISO Tariff or in Appendix DD of the ISO Tariff, as applicable.

The Distribution Provider will prepare an Interconnection Study report to document the results of the Interconnection Study. The report shall include the results of the analysis of the impacts on and the upgrades required to the Distribution System, and the costs of the Distribution Provider's Interconnection Facilities and Distribution Upgrades, as well as the results of the analysis of impacts on and

the upgrades required to the ISO Grid, and the costs of the Network Upgrades.

All cost estimates for Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades contained in the Interconnection Studies will be set forth in the Interconnection Study report in present dollar costs as well as time-adjusted dollar costs, adjusted to the estimated year of construction of the components being constructed.

4.5.3 Scope and Purpose of the Phase I Interconnection Study.

The Phase I Interconnection Study shall (i) evaluate the impact of all Interconnection Requests received during the Cluster Application Window for a particular year on the Distribution System and ISO Grid, (ii) preliminarily identify the Distribution Upgrades needed to address the impacts on the Distribution System; (iii) preliminarily identify the Network Upgrades needed to address the impacts on the ISO Grid of the Interconnection Requests, (iv) preliminarily identify for each Interconnection Request required Distribution Provider's Interconnection Facilities, (v) assess the Point of Interconnection selected by each Interconnection Customer and potential alternatives to evaluate potential efficiencies in overall system upgrade costs, (vi) establish the maximum cost responsibility for Network Upgrades assigned to each Interconnection Request in Queue Cluster 4 in accordance with GIP Section 4.5.4, (vii) establish the maximum cost responsibility for Reliability Network Upgrades and Local Delivery Network Upgrades assigned to each Interconnection Request until the issuance of the Phase II Interconnection Study report, as well as provide an estimate of the cost responsibility for Area Delivery Network Upgrades, assigned to each Interconnection Request in Queue Cluster 5 and subsequent Queue Clusters in accordance with GIP Section 4.5.4, (viii) provide a good faith estimate of the cost of Distribution Upgrades and Distribution Provider's Interconnection Facilities for each Interconnection Request, and (ix) for Generating Facilities with storage which will charge from the Distribution System, provide a non-binding preliminary analysis of the ability of the Distribution System to accommodate the requested Charging Capacity utilizing available capacity on the existing Distribution System. The portion of the Phase I Interconnection Study required to evaluate impacts on the ISO Grid will be conducted in coordination with the ISO in a manner consistent with the procedures set forth in the ISO Tariff GIP.

The Phase I Interconnection Study will consist of a short circuit analysis, a stability analysis to the extent the Distribution Provider and ISO reasonably expect transient or voltage stability concerns, a

power flow analysis, including off-peak analysis, and an On-Peak Deliverability Assessment and Off-Peak Deliverability Assessment in accordance with Appendix Y of the ISO Tariff for Queue Cluster 4 or Appendix DD of the ISO Tariff for Queue Cluster 5 and subsequent Queue Clusters. The short circuit analysis will include an evaluation of the short circuit duty impacts of all Generating Facilities interconnecting to the Distribution System on the Transmission System, including Generating Facilities being studied under the Independent Study Process. The Phase I Interconnection Study will state for each Group Study or Interconnection Request studied individually (i) the assumptions upon which it is based, (ii) the results of the analyses, and (iii) the requirements or potential impediments to providing the requested Interconnection Service to all Interconnection Requests in a Group Study or to the Interconnection Request studied individually. The Phase I Interconnection Study will provide, without regard to the requested Commercial Operation Dates of the Interconnection Requests, a list of Distribution Upgrades and Network Upgrades that are preliminarily identified as required as a result of the Interconnection Requests in a Group Study or as a result of any Interconnection Request studied individually and Distribution Provider's Interconnection Facilities associated with each Interconnection Request, and an estimate of any other financial impacts (i.e., on Local Furnishing Bonds).

4.5.4 Identification of and Cost Allocation Methods for Network Upgrades and Distribution Upgrades in Phase I Interconnection Study.

4.5.4.1 Reliability Network Upgrades.

4.5.4.1.1 For Queue Cluster 4. The short circuit, stability, and power flow analyses will be performed pursuant to Appendix Y of the ISO Tariff. The short circuit and stability analyses for each Interconnection Request either individually or as part of a Group Study will preliminarily identify the Reliability Network Upgrades needed to interconnect the Generating Facilities to the Distribution System. The power flow analyses for each Interconnection Request either individually or as part of a Group Study will identify reliability criteria violations, including applicable thermal overloads, that must be mitigated by Reliability Network Upgrades. The estimated costs of the Reliability Network Upgrades shall be assigned in accordance with Appendix Y of

the ISO Tariff.

4.5.4.1.2 For Queue Cluster 5 and Subsequent

Queue Clusters. The short circuit, stability, and power flow analyses will be performed pursuant to Appendix DD of the ISO Tariff. The short circuit and stability analyses for each Interconnection Request either individually or as part of a Group Study will preliminarily identify the Reliability Network Upgrades needed to interconnect the Generating Facilities to the Distribution System. The power flow analyses for each Interconnection Request either individually or as part of a Group Study will identify reliability criteria violations, including applicable thermal overloads, that must be mitigated by Reliability Network Upgrades. The estimated costs of the Reliability Network Upgrades shall be assigned in accordance with Appendix DD of the ISO Tariff.

4.5.4.2 Delivery Network Upgrades.

4.5.4.2.1 The On-Peak Deliverability Assessment.

4.5.4.2.1.1 For Queue Cluster 4. An On-Peak Deliverability Assessment will be performed for Interconnection Customers selecting Full Capacity Deliverability Status or Partial Capacity Deliverability Status in their Interconnection Requests pursuant to Appendix Y of the ISO Tariff. The On-Peak Deliverability Assessment will identify preliminary Delivery Network Upgrades required to provide the Generating Facility with Full Capacity Deliverability Status or the requested MW of Partial Capacity Deliverability Status. The estimated costs of Delivery Network Upgrades identified in the On-Peak Deliverability Assessment will be estimated and assigned in accordance with Appendix Y of the ISO Tariff.

4.5.4.2.1.2 For Queue Cluster 5 and Subsequent

Queue Clusters. An On-Peak Deliverability Assessment will be

performed for Interconnection Customers selecting Full Capacity Deliverability Status or Partial Capacity Deliverability Status in their Interconnection Requests pursuant to Appendix DD of the ISO Tariff. The On-Peak Deliverability Assessment will identify preliminary Delivery Network Upgrades, which shall consist of Local Delivery Network Upgrades and Area Delivery Network Upgrades, required to provide the Generating Facility with Full Capacity Deliverability Status or Partial Capacity Deliverability Status. The estimated costs of Delivery Network Upgrades identified in the On-Peak Deliverability Assessment will be estimated and assigned in accordance with Appendix DD of the ISO Tariff.

4.5.4.2.2 The Off-Peak Deliverability Assessment.

4.5.4.2.2.1 For Queue Cluster 4. An Off-Peak Deliverability Assessment will be performed, pursuant to Appendix Y of the ISO Tariff, for Interconnection Customers to identify transmission upgrades in addition to those Delivery Network Upgrades identified in the On-Peak Deliverability Assessment, that includes one or more Location Constrained Resource Interconnection Generators (LCRIG) as defined in the ISO Tariff, where the fuel source or source of energy for the LCRIG substantially occurs during off-peak conditions. The estimated costs and treatment of such upgrades shall be in accordance with Appendix Y of the ISO Tariff.

4.5.4.2.2.2 For Queue Cluster 5 and Subsequent Queue Clusters. An Off-Peak Deliverability Assessment will be performed, pursuant to Appendix DD of the ISO Tariff, for Interconnection Customers to identify transmission upgrades in addition to those Delivery Network

Upgrades identified in the On-Peak Deliverability Assessment, that includes one or more LCRIG as defined in the ISO Tariff, where the fuel source or source of energy for the LCRIG substantially occurs during off-peak conditions. The estimated costs and treatment of such upgrades shall be in accordance Appendix DD of the ISO Tariff.

4.5.4.3 Distribution Upgrades. The Distribution Provider will perform short circuit analyses and stability analyses, if required, for each Interconnection Request either individually or as part of a Group Study to preliminarily identify the Distribution Upgrades needed to interconnect the Generating Facility to the Distribution System. The Distribution Provider shall also perform power flow analyses, under a variety of system conditions, for each Interconnection Request either individually or as part of a Group Study to identify reliability criteria violations on the Distribution System, including applicable thermal overloads, that must be mitigated by Distribution Upgrades.

The estimated costs of Distribution Upgrades identified as a result of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request. The estimated costs of Distribution Upgrades identified through a Group Study shall be assigned to all Interconnection Requests in that Group Study pro rata based on each Interconnection Request's contribution to the need for the upgrade.

4.5.5 Costs Identified in the Phase I Interconnection Study Report Form the Basis of Initial Interconnection Financial Security Posting. The costs assigned to Interconnection Customers for Network Upgrades shall establish the basis for the initial Interconnection Financial Security posting required from each Interconnection Customer under GIP Section 4.8.2 for such Network Upgrades. In contrast, the costs assigned to Interconnection Customers for Distribution Provider's Interconnection Facilities and Distribution Upgrades under GIP Section 4.5 are estimates only that establish the basis for the initial Interconnection Financial Security required from each Interconnection Customer under GIP Section 4.8.1 for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

4.5.6 Phase I Interconnection Study Procedures. The Distribution Provider shall coordinate the Phase I Interconnection Study with the ISO pursuant to GIP Section 3.3.3, as applicable, and any Affected System Operator that is affected by the Interconnection Request pursuant to GIP Section 3.7. Existing studies shall be used to the extent practicable when conducting the Phase I Interconnection Study. The Distribution Provider will coordinate Base Case development with the ISO, as applicable, to ensure the Base Cases are accurately developed for the assessment of impacts on the ISO Grid. The Distribution Provider shall use Reasonable Efforts to complete and issue to Interconnection Customers the Phase I Interconnection Study report within one hundred thirty-four (134) Calendar Days after the commencement of the Phase I Interconnection Study for Queue Cluster 4, within two hundred (200) Calendar Days after the commencement of the Phase I Interconnection Study for Queue Cluster 5, and within one hundred seventy (170) Calendar Days after the commencement of the Phase I Interconnection Study beginning with Queue Cluster 6; however, each individual study or Group Studies may be completed prior to this maximum time where practicable based on factors, including, but not limited to, the number of Interconnection Requests in the Cluster Application Window, study complexity, and reasonable availability of subcontractors as provided under GIP Section 3.3.3.3. The Distribution Provider will share applicable study results with the ISO and Affected System Operators, if applicable, for review and comment and will incorporate comments into the study report. The Distribution Provider will issue a final Phase I Interconnection Study report to the Interconnection Customer.

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

Upon request, the Distribution Provider shall provide the Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Phase I Interconnection Study, subject to

confidentiality arrangements consistent with GIP Section 11.1.

4.5.7 Phase I Interconnection Study Results Meeting. Within thirty (30) Calendar Days of issuing the Phase I Interconnection Study report to the Interconnection Customer, the Distribution Provider, the ISO, and Affected System Operators, if applicable, and the Interconnection Customer shall hold a Results Meeting to discuss the results of the Phase I Interconnection Study, including assigned cost responsibility.

Should the Interconnection Customer provide written comments on the final Phase I Interconnection Study report within ten (10) Business Days of receipt of the report, but in no event less than three (3) Business Days before the Results Meeting conducted to discuss the report, whichever is sooner, the Distribution Provider will address the written comments in the Phase I Interconnection Study Results Meeting. Should the Interconnection Customer provide comments at any later time (up to the time of the Results Meeting), then such comments shall be considered informal inquiries to which the Distribution Provider will provide, to the extent possible, informal, informational responses at the Results Meeting.

The Interconnection Customer may submit, in writing, additional comments on the final Phase I Interconnection Study report up to (3) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received, the Distribution Provider (in consultation with the ISO) will determine, in accordance with GIP Section 4.5.7.4, whether it is necessary to follow the final Phase I Interconnection Study report with a revised study report or an addendum. Written comments on the Phase I Interconnection Study report provided by the Interconnection Customer in accordance with this GIP Section 4.5.7 will be included as an addendum to the Phase I Interconnection Study report. The Distribution Provider will issue any such revised report or addendum, if required, to the Interconnection Customer, or otherwise respond in writing to the Interconnection Customer's comments, no later than fifteen (15) Business Days following the Results Meeting.

4.5.7.1 Commercial Operation Date. At the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall provide a schedule outlining key milestones including environmental survey start date, expected environmental permitting submittal date, expected procurement date of project equipment, back-feed date for

project construction, and expected project construction date. This will assist the parties in determining if Commercial Operation Dates are reasonable. If major Distribution Provider's Interconnection Facilities or Distribution Upgrades for the Generating Facility have been identified in the Phase I Interconnection Study, such as telecommunications equipment to support a possible special protection system (SPS), distribution feeders to support back feed, new substation, and/or expanded substation work, permitting and material procurement lead times may result in the need to alter the proposed Commercial Operation Date. The Parties may agree to a new Commercial Operation Date. In addition, where an Interconnection Customer intends to establish Commercial Operation separately for different Electric Generating Units or project phases at its Generating Facility, it may only do so in accordance with an implementation plan agreed to in advance by the Distribution Provider and ISO, if applicable, which agreement shall not be unreasonably withheld. Where the parties cannot agree, the Commercial Operation Date determined reasonable by the Distribution Provider, in coordination with the ISO, if applicable, will be used for the Phase II Interconnection Study where the changed Commercial Operation Date is needed to accommodate the anticipated completion, assuming Reasonable Efforts by the Distribution Provider, of necessary Distribution Upgrades, Reliability Network Upgrades and/or Distribution Provider's Interconnection Facilities, pending the outcome of any relief sought by the Interconnection Customer under GIP Section 11.2. The Interconnection Customer must notify the Distribution Provider within five (5) Business Days following the Results Meeting that it is initiating dispute procedures under GIP Section 11.2.

4.5.7.2 Modifications.

4.5.7.2.1 At any time during the course of the Interconnection Studies, the Interconnection Customer, the Distribution Provider, or the ISO, as applicable, may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to the Distribution Provider, the ISO, as applicable, and Interconnection Customer, such acceptance not to

be unreasonably withheld, Distribution Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes without altering the Interconnection Request's eligibility for participating in Interconnection Studies.

4.5.7.2.2 At the Phase I Interconnection Study Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection Request. After the issuance of the final Phase I Interconnection Study, but no later than ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to Distribution Provider, in writing, modifications to any information provided in the Interconnection Request. The Distribution Provider will forward the Interconnection Customer's modification to the ISO within two (2) Business Days of receipt.

Modifications permitted under this GIP Section 4.5.7.2 shall include specifically: (a) a decrease in the electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics; (c) modifying the interconnection configuration; (d) modifying the In-Service Date, Initial Synchronization Date, and/or Commercial Operation Date that meets the criteria set forth in GIP Section 3.9 and is acceptable to the Distribution Provider, such acceptance not to be unreasonably withheld; and (e) change in requested Deliverability to Energy-Only Deliverability Status, from Full Capacity Deliverability Status to Partial Capacity Deliverability Status, or from Partial Capacity Deliverability Status to a lower fraction of Partial Capacity Deliverability Status.

For any modification other than these, the Interconnection Customer must first request that Distribution Provider evaluate whether such modification is a Material Modification in accordance with GIP Section 4.5.7.2.3. In response to Interconnection Customer's request, Distribution Provider, in coordination with the ISO, if applicable,

and any Affected System Operator, if applicable, shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The Distribution Provider may, at its option, engage the services of the ISO to assist in the assessment of the modification. Any change to the Point of Interconnection, except for that specified by the Distribution Provider in an Interconnection Study or otherwise allowed under this GIP Section 4.5.7.2, shall constitute a Material Modification. Interconnection Customer shall then either:

- (i) withdraw the proposed modification, or
- (ii) withdraw its Interconnection Request and submit a new Interconnection Request during a subsequent Cluster Application Window reflecting such modification.

The Interconnection Customer shall remain eligible for the Phase II Interconnection Study if the modifications are in accordance with this GIP Section 4.5.7.2.

4.5.7.2.3 For any modifications other than those permitted under GIP Section 4.5.7.2.2, the Interconnection Customer shall provide the Distribution Provider a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) Calendar Days from the date the Distribution Provider receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. The Distribution Provider shall coordinate the modification request with the ISO. If the modification assessment cannot be completed within that time period, the Distribution Provider shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. The

Interconnection Customer will be responsible for the actual costs incurred by the Distribution Provider and, if applicable, the ISO in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance within thirty (30) Calendar Days of being invoiced. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within thirty (30) Calendar Days of being invoiced.

4.5.7.3 Determination of Impact of Modifications Decreasing Generating Capacity Output or Deliverability Status Reductions on Calculation of Initial Financial Security Posting. After receiving from the Interconnection Customer any modification elections involving decreases in electrical output (MW) of the Generating Facility and/or changes (*i.e.*, reductions) in Deliverability status as permitted in GIP Section 4.6.1, the Distribution Provider, in coordination with the ISO, will determine, based on best engineering judgment, whether such modifications will eliminate the need for any Delivery Network Upgrades identified in the Phase I Interconnection Study report. The Distribution Provider and ISO will not conduct any re-studies in making this determination.

If the Distribution Provider and ISO should determine that one or more Delivery Network Upgrades identified in the Phase I Interconnection Study are no longer needed, then, solely for purposes of calculating the amount of the Interconnection Customer's initial posting of Interconnection Financial Security under GIP Section 4.8.2, such Delivery Network Upgrade(s) will be considered to be removed from the plan of service described in the Interconnection Customer's Phase I Interconnection Study report and the cost estimates for such upgrades shall not be included in the calculation of Interconnection Financial Security in GIP Section 4.8.2. The Distribution Provider will inform in a timely manner any Interconnection Customers so affected, and provide the Interconnection Customers with written notice of the revised amounts for the initial Interconnection Financial Security posting. No determination under this GIP Section 4.5.7.3 shall affect either (i) the timing for the initial

Interconnection Financial Security posting or (ii) the maximum value for the Interconnection Customer's total cost responsibility for Network Upgrades established by the Phase I Interconnection Study report.

4.5.7.4 Revisions and Addenda to Final Interconnection Study Reports.

4.5.7.4.1 Substantial Error or Omissions: Revised Study Report. Should the Distribution Provider discover, through written comments submitted by an Interconnection Customer or otherwise, that a final Phase I or Phase II Interconnection Study report contains a substantial error or omission, the Distribution Provider, in consultation with the ISO, as applicable, will cause a revised final report to be issued to the Interconnection Customer. A substantial error or omission shall mean an error or omission that results in one or more of the following:

- (i) understatement or overstatement of the Interconnection Customer's cost responsibility for Network Upgrades by more than five (5) percent or one million dollars (\$1,000,000), whichever is greater; or
- (ii) results in a delay to the schedule by which the Interconnection Customer can achieve Commercial Operation, based on the results of the final Interconnection Study, by more than one year.

A dispute over the plan of service by an Interconnection Customer shall not be considered a substantial error or omission unless the Interconnection Customer demonstrates that the plan of service was based on an invalid or erroneous study assumption that meets the criteria set forth above.

4.5.7.4.2 Other Errors or Omissions: Addendum. If an error or omission in an Interconnection Study report is not a substantial error or omission, the Distribution Provider shall not issue a revised final Interconnection Study report, although the error or omission may result in an adjustment of the corresponding Interconnection Financial Security. Rather, the

Distribution Provider shall document such error or omission and make any appropriate correction by issuing an addendum to the final report.

The Distribution Provider shall also incorporate, as needed, any corrected information pertinent to the terms or conditions of the GIA in the draft GIA provided to an Interconnection Customer pursuant to GIP Section 4.9.1.

4.5.7.4.3 Only Substantial Errors or Omissions Adjust

Posting Dates. Only substantial errors and omissions related to the Phase I and Phase II Interconnection Study reports can result in adjustments to Interconnection Financial Security posting due dates. Once the initial and second Interconnection Financial Security posting due dates as described in this section have passed, the error or omission provisions described in this GIP Section 4.5.7.4.3 no longer apply. Unless the error or omission is a substantial error resulting in the issuance of a revised final Interconnection Study report, the correction of an error or omission shall not operate to delay any deadline for posting Interconnection Financial Security set forth in GIP Section 4.8. In the case of a substantial error or omission resulting in the issuance of a revised final Phase I or Phase II Interconnection Study report, the deadline for posting Interconnection Financial Security shall be extended as set forth in GIP Section 4.8. In addition to issuing a revised final report, the Distribution Provider will promptly notify the Interconnection Customer of any revised posting amount and extended due date occasioned by a substantial error or omission.

An Interconnection Customer's dispute of a Distribution Provider determination that an error or omission in a final study report does not constitute substantial error shall not operate to change the amount of Interconnection Financial Security that the Interconnection Customer must post or to postpone the applicable deadline for the Interconnection Customer to post Interconnection Financial Security. In case of such a dispute, the Interconnection Customer shall post the amount of Interconnection

Financial Security in accordance with GIP Section 4.8, subject to refund in the event that the Interconnection Customer prevails in the dispute.

4.6 Phase II Interconnection Study

4.6.1 Activities in Preparation for Phase II Interconnection Study.

Within ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to the Distribution Provider the completed form of Attachment B (“Data Form To Be Provided by the Interconnection Customer Prior to Commencement of the Phase II Interconnection Study”) to its Generator Interconnection Study Process Agreement, a pro forma version of which is Appendix 3 to this GIP. Within such Attachment B, the Interconnection Customer shall either (i) confirm the desired Deliverability status that the Interconnection Customer had previously designated in the completed form of Attachment A to the Generator Interconnection Study Process Agreement (“Assumptions Used in Conducting the Phase I Interconnection Study”); or (ii) change the status of desired deliverability in one of the following ways:

- (a) from Full Capacity Deliverability Status to Energy-Only Deliverability Status;
- (b) from Full Capacity Deliverability Status to Partial Capacity Deliverability Status with a specified MW amount of Full Capacity Deliverability Status;
- (c) from Partial Capacity Deliverability Status to Energy-Only Deliverability Status; or
- (d) reduce Partial Capacity Deliverability Status to a lower MW amount of Full Capacity Deliverability Status.

The Distribution Provider will forward a copy of the completed form of Attachment B to the ISO.

4.6.2 Full Capacity Deliverability Status or Partial Capacity Deliverability Status Options for Interconnection Customers in Queue Cluster 5 and Subsequent Queue Clusters. This section applies to Interconnection Requests in Queue Cluster 5 and subsequent Queue Clusters for which the Generating Facility Deliverability status is either Full Capacity Deliverability Status or Partial Capacity Deliverability Status.

Within Attachment B to its Generator Interconnection Study Process Agreement, the Interconnection Customer must select one of two options with respect to its Generating Facility:

Option (A), which means that the Generating Facility requires TP Deliverability to be able to continue to Commercial Operation. If the Interconnection Customer selects Option (A), then the Interconnection Customer shall be required to make an initial posting of Interconnection Financial Security under GIP Section 4.8.2 for the cost responsibility assigned to it in the Phase I Interconnection Study for Reliability Network Upgrades and Local Delivery Network Upgrades, and shall not be required to post Interconnection Financial Security for Area Delivery Network Upgrades; or,

Option (B), which means that the Interconnection Customer will assume cost responsibility for Delivery Network Upgrades (both Area Delivery Network Upgrades and Local Delivery Network Upgrades, to the extent applicable) without cash repayment under GIP Section 10.4.1.1 to the extent that sufficient TP Deliverability is not allocated to the Generating Facility to provide its requested amount of Deliverability status. If the Interconnection Customer selects Option (B), then the Interconnection Customer shall be required to make an initial posting of Interconnection Financial Security under GIP Section 4.8.2 for the cost responsibility assigned to it in the Phase I Interconnection Study for Reliability Network Upgrades, Local Delivery Network Upgrades and Area Delivery Network Upgrades.

4.6.3 Scope of the Phase II Interconnection Study. The Distribution Provider, in coordination with the ISO, as applicable, will conduct a Phase II Interconnection Study that will incorporate eligible Interconnection Requests from the previous Phase I Interconnection Study. The Phase II Interconnection Study shall (i) update, as necessary, analyses performed in the Phase I Interconnection Study to account for the withdrawal of Interconnection Requests or other projects in the interconnection queue, (ii) identify Distribution Upgrades needed to physically interconnect the Generating Facility, (iii) assign cost responsibility for the Distribution Upgrades, (iv) identify final Reliability Network Upgrades needed to physically and reliably interconnect the Generating Facilities and provide final cost estimates, (v) for Queue Cluster 4, identify, following coordination with the ISO's transmission planning process, final Delivery Network Upgrades needed to interconnect those Generating Facilities selecting Full Capacity Deliverability Status or Partial Capacity Deliverability Status and provide final cost estimates, (vi) for Queue Cluster 5 and subsequent Queue Clusters, identify final Local Delivery Network Upgrades needed to interconnect those Generating Facilities selecting Full Capacity Deliverability Status or Partial Capacity Deliverability Status and provide final cost estimates, (vii)

for Queue Cluster 5 and subsequent Queue Clusters, identify final Area Delivery Network Upgrades for those Interconnection Customers selecting Option (B) in accordance with GIP Section 4.6.2 and provide revised cost estimates, (viii) identify for each Interconnection Request the final Point of Interconnection and Distribution Provider's Interconnection Facilities, (ix) provide an estimate for each Interconnection Request of the final Distribution Provider's Interconnection Facilities, and (x) coordinate in-service timing requirements based on operational studies in order to facilitate achievement of the Commercial Operation Dates of the Generating Facilities, as applicable. For Queue Cluster 5 and subsequent Queue Clusters, where the cost estimates applicable to the total of the Reliability Network Upgrades and Local Delivery Network Upgrades are based upon the Phase I Interconnection Study (because the cost estimates for the Network Upgrades were lower and so establish maximum cost responsibility under GIP Section 4.6.7.3), the Phase II Interconnection Study report shall recite this fact.

With respect to the foregoing items, the Phase II Interconnection Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the updated Phase II Interconnection Study technical analyses in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the Distribution System. The Phase II Interconnection Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

4.6.4 Phase II Interconnection Study Procedures. Distribution Provider shall coordinate the Phase II Interconnection Study with the ISO pursuant to GIP Section 3.3, and any Affected System Operator that is affected by the Interconnection Request pursuant to GIP Section 3.7 above. Distribution Provider shall utilize existing studies to the extent practicable in conducting the Phase II Interconnection Study. Distribution Provider will coordinate Base Case development with the ISO to ensure the Base Cases are accurately developed for the assessment of impacts on the ISO Grid. The Distribution Provider shall use Reasonable Efforts to commence the Phase II Interconnection Study January 15 of each

year for Queue Cluster 4 and May 1 of each year for Queue Cluster 5 and subsequent Queue Clusters, and to complete and issue to Interconnection Customers the Phase II Interconnection Study report within one hundred ninety-six (196) Calendar Days after the annual commencement of the Phase II Interconnection Study for Queue Cluster 4 and two hundred five (205) Calendar Days after the annual commencement of the Phase II Interconnection Study for Queue Cluster 5 and subsequent Queue Clusters. The Distribution Provider will share the applicable study results with the ISO and any Affected System Operator, if applicable, for review and comment, and will incorporate comments into the study report. The Distribution Provider will issue a final Phase II Interconnection Study report to Interconnection Customer.

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

Upon request, Distribution Provider shall provide Interconnection Customer all supporting documentation, workpapers, and relevant pre-Interconnection Request and post-Interconnection Request power, short circuit and stability databases for the Phase II Interconnection Study, subject to confidentiality arrangements consistent with GIP Section 11.1.

- 4.6.5 Coordination of the Phase II Interconnection Study with the ISO's Transmission Planning Process.** The Distribution Provider, in cooperation with the ISO, shall coordinate the analysis of impacts on the ISO Grid under the Phase II Interconnection Studies with the ISO's transmission planning process in accordance with Appendix Y or Appendix DD of ISO Tariff, as applicable.
- 4.6.6 Cost Responsibility for Distribution Upgrades.** The cost responsibility for Distribution Upgrades identified in the Phase II Interconnection Study of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request. The cost responsibility for Distribution Upgrades identified through a Group Study in the Phase II Interconnection Study shall be assigned to all Interconnection Requests in that Group Study pro

rata on the basis of each Interconnection Request's contribution to the need for the Distribution Upgrade. Notwithstanding the foregoing, each Interconnection Customer will be responsible for its allocated share of the actual costs of Distribution Upgrades as set forth in this GIP Section 4.6.6.

4.6.7 Cost Responsibility for Network Upgrades.

4.6.7.1 Cost Responsibility for Reliability Network Upgrades. The cost responsibility for final Reliability Network Upgrades identified in the Phase II Interconnection Study shall be assigned in accordance with Appendix Y or Appendix DD of the ISO Tariff, as applicable.

4.6.7.2 Cost Responsibility for Delivery Network Upgrades. The cost responsibility for Delivery Network Upgrades for Queue Cluster 4 shall be assigned in accordance with Appendix Y of the ISO Tariff. The cost responsibility for Local Delivery Network Upgrades and Area Delivery Network Upgrades for Queue Cluster 5 and subsequent Queue Clusters shall be assigned in accordance with Appendix DD of the ISO Tariff.

4.6.7.3 Costs Identified in the Phase II Interconnection Study Report Form the Basis of the Second and Third Interconnection Financial Security Postings. The Phase II Interconnection Study report shall set forth the applicable cost estimates for the Network Upgrades in accordance with this GIP Section 4.6.7 and shall establish the basis for the second and third Interconnection Financial Security postings required from each Interconnection Customer under GIP Sections 4.8.3 and 4.8.4 as set forth below.

4.6.7.3.1 For Queue Cluster 4. After the Phase II Interconnection Study report is issued to the Interconnection Customer, the maximum value for the Interconnection Financial Security required of each Interconnection Customer and the maximum cost responsibility of each Interconnection Customer for Network Upgrades shall be established by the lesser of the costs for Network Upgrades assigned to the Interconnection Customer in the final Phase I Interconnection Study report or the final Phase II Interconnection Study report.

4.6.7.3.2 For Queue Cluster 5 and Subsequent Queue

Clusters. After the Phase II Interconnection Study report is issued to the Interconnection Customer, the maximum value for Interconnection Financial Security for Reliability Network Upgrades and Local Delivery Network Upgrades shall be established comparing the subtotal cost for Reliability Network Upgrades and Local Delivery Network Upgrades determined in the final Phase I Interconnection Study to the subtotal cost for Reliability Network Upgrades and Local Delivery Network Upgrades determined in the final Phase II Interconnection Study, and utilizing the lower subtotal. The lower subtotal for Reliability Network Upgrades and Local Delivery Network Upgrades shall also establish the Interconnection Customer's maximum cost responsibility for Reliability Network Upgrades and Local Delivery Network Upgrades after issuance of the Phase II Interconnection Study report.

The cost estimate for Area Delivery Network Upgrades set forth in the Phase II Interconnection Study report shall provide the basis for second and third Interconnection Financial Postings for those Interconnection Customers that have selected Option (B). The Area Delivery Network Upgrades cost estimates provided in any Interconnection Study report are estimates only and do not provide a maximum value for cost responsibility to an Interconnection Customer for Area Delivery Network Upgrades. Notwithstanding the foregoing, each Interconnection Customer will be responsible for its allocated share of the actual costs of Area Delivery Network Upgrades as set forth in this GIP Section 4.6.7.3.2.

4.6.8 Financing Network Upgrades that are or were an Obligation of an Entity other than Interconnection Customer. The Distribution Provider shall be responsible for financing the Network Upgrades, meeting the conditions as specified below, necessary to support the interconnection of the Generating Facility of an Interconnection Customer with a GIA under this GIP, whenever either:

- (i) the Network Upgrades were included in the Base Case for an Interconnection Study on the basis that they were Network Upgrades associated with Generating Facilities of Interconnection Customers that have an executed GIA (or its equivalent predecessor agreement) or unexecuted GIA (or its equivalent predecessor agreement) filed with FERC, but

the Network Upgrades will not otherwise be completed because such GIA or equivalent predecessor agreement was subsequently terminated or the Interconnection Request has otherwise been withdrawn; or

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

The obligation under this GIP Section 4.6.8 arises only after the Distribution Provider, in coordination with the ISO, determines that the Network Upgrades remain needed to support the interconnection of the Interconnection Customer's Generating Facility notwithstanding, as applicable, the absence or delay of the Generating Facility that is contractually, or was previously contractually, associated with the Network Upgrades.

4.6.9 Interim Energy-Only Interconnection Until Delivery Network Upgrades Are Completed. If it is determined that the Delivery Network Upgrades cannot be completed by the Interconnection Customer's identified Commercial Operation Date, the Interconnection Study will include interim mitigation measures necessary to allow the Generating Facility to interconnect as an energy-only resource until the Delivery Network Upgrades for the Generating Facility are completed and placed into service, unless interim partial capacity deliverability measures are developed by the ISO.

4.6.10 Results Meeting with Distribution Provider and ISO. Within thirty (30) Calendar Days of providing the final Phase II Interconnection Study report to Interconnection Customer, Distribution Provider, the ISO, any Affected System Operator, if applicable, and Interconnection Customer shall meet to discuss the results of the Phase II Interconnection Study, including selection of the final Commercial Operation Date.

Should the Interconnection Customer provide written comments on the final Phase II Interconnection Study report within ten (10)

Business Days of receipt of the report, but in no case less than three (3) Business Days before the Results Meeting, whichever is sooner, then the Distribution Provider, ISO, or the Affected System Operator, as applicable, will address the written comments in the Phase II Interconnection Study Results Meeting. Should the Interconnection Customer provide comments at any later time (up to the time of the Results Meeting), then such comments shall be considered informal inquiries to which the Distribution Provider will provide informal, informational responses at the Results Meeting, to the extent possible.

The Interconnection Customer may submit, in writing, additional comments on the final Phase II Interconnection Study report up to three (3) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received, the Distribution Provider (in consultation with the ISO, as applicable) will determine, in accordance with GIP Section 4.5.7.4, whether it is necessary to follow the final Phase II Interconnection Study Report with a revised study report or an addendum to the report. Written comments on the Phase II Interconnection Study report provided by the Interconnection Customer in accordance with this GIP Section 4.6.10 will be included as an addendum to the Phase II Interconnection Study report. The Distribution Provider will issue any such revised report or addendum, if required, to the Interconnection Customer, or otherwise respond in writing to the Interconnection Customer's comments, no later than fifteen (15) Business Days following the Results Meeting.

4.6.11 Re-Evaluation of Distribution Upgrades Following Phase II Study. If an assessment following the issuance of the final Phase II Interconnection Study is required to re-evaluate an Interconnection Customer's required Distribution Upgrades due to a project withdrawal, Distribution Provider shall so notify the Interconnection Customer in writing. Such re-evaluation shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of the re-evaluation shall be borne by the Interconnection Customer being re-evaluated.

4.6.12 Re-Evaluation of Network Upgrades Following Phase II Study. Any re-evaluation of required Network Upgrades following issuance of the Phase II Interconnection Study due to project withdrawals shall be performed in accordance with the procedures of the ISO Tariff GIP.

4.6.13 Allocation Process for TP Deliverability for Queue Cluster 5 and Subsequent Queue Clusters.

After the Phase II Interconnection Study reports are issued for Queue Cluster 5 and subsequent Queue Clusters, the TP Deliverability allocation will be performed by the ISO pursuant to Appendix DD of the ISO Tariff. Within two (2) Business Days following the ISO's issuance of the market notice in accordance with Section 8.9 of Appendix DD of the ISO Tariff, the Distribution Provider will notify Interconnection Customers as to the ISO's timeline for commencement of the allocation activities, for Interconnection Customer submittal of eligibility status and retention information, and anticipated release of allocation results to Interconnection Customers. The Interconnection Customer must submit simultaneously to the Distribution Provider and the ISO the information required by Section 8.9.2 of Appendix DD to the ISO Tariff. Upon receipt from the ISO of the result of the allocation of TP Deliverability, the Interconnection Customers will have seven (7) Calendar Days to inform the Distribution Provider and the ISO of its decision in accordance with Sections 8.9.4, 8.9.5, and 8.9.6 of Appendix DD of the ISO Tariff. The Distribution Provider shall not be responsible for the results of the ISO's allocation of TP Deliverability. If the Interconnection Customer disputes the outcome of the ISO's TP Deliverability allocation, the Interconnection Customer must raise such dispute with the ISO in accordance with the ISO Tariff Dispute Resolution procedures. The results of the TP Deliverability allocation will be reflected in the GIA between the Distribution Provider and Interconnection Customer. The Interconnection Customer must demonstrate to the Distribution Provider and the ISO, in the form required by the ISO, that it meets the criteria set forth in Appendix DD of the ISO Tariff, in order to retain its TP Deliverability allocation.

4.6.13.1 Consequences of Failure to Retain TP Deliverability. An Interconnection Customer's failure to retain its allocation of TP Deliverability shall not be considered a Breach of the GIA. Upon failure of the Interconnection Customer to retain TP Deliverability, the Deliverability status of the Generating Facility corresponding to the Interconnection Request shall convert to Energy-Only Deliverability Status as to that portion of the Generating Facility which has not retained the TP Deliverability.

4.7 Additional Deliverability Assessment Option

4.7.1 Annual Full Capacity Deliverability Option. Consistent with Appendix DD of the ISO Tariff, Generating Facilities eligible for Deliverability under this section are: (i) a Generating Facility previously studied as Energy-Only Deliverability Status or which

has a generator interconnection agreement under which the Generating Facility has Energy-Only Deliverability Status and such generator interconnection agreement is in good standing at the time of request under this section; (ii) an Option (A) Generating Facility not allocated TP Deliverability Status and has a GIA in good standing and desires to seek additional Deliverability with respect to the Energy-Only Deliverability Status portion of the Generating Facility; and (iii) an Option (B) Generating Facility which chose Partial Capacity Deliverability Status and has a GIA in good standing, and desires to seek additional Deliverability with respect to the Energy-Only Deliverability Status portion of the Generating Facility. An eligible Generating Facility will have an option to be studied for Full Capacity Deliverability Status (to determine whether it can be designated for Full Capacity Deliverability Status) or Partial Capacity Deliverability Status, based on available transmission capacity. To be considered in the Annual Full Capacity Deliverability Study, the Interconnection Customer must make a request for such a study which complies with GIP Section 4.2.1 within a Cluster Application Window. The Annual Full Capacity Deliverability Study will be performed by the ISO pursuant to either Appendix Y of the ISO Tariff for Queue Cluster 4, or Appendix DD of the ISO Tariff for Queue Cluster 5 and subsequent Queue Clusters. Any Interconnection Customer selecting this option will be studied by the ISO immediately following the TP Deliverability allocation following the Phase II Interconnection Studies associated with the Cluster Application Window during which the Interconnection Customer submitted the request.

4.7.1.1

Study Costs. The Distribution Provider and the ISO shall execute any necessary agreements for reimbursement of study costs incurred and to assure cost attribution for any Network Upgrades relating to any Deliverability status conferred to such customers.

4.8 Interconnection Financial Security

4.8.1 Types of Interconnection Financial Security. The Interconnection Financial Security posted by an Interconnection Customer may be any combination of the following types of Interconnection Financial Security provided in favor of the Distribution Provider:

- (a) an irrevocable and unconditional letter of credit issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;

- (b) an irrevocable and unconditional surety bond issued by an insurance company that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;
- (c) an unconditional and irrevocable guaranty issued by a company has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;
- (d) a cash deposit standing to the credit of the Distribution Provider and in an interest-bearing escrow account maintained at a bank or financial institution that is reasonably acceptable to the Distribution Provider;
- (e) a certificate of deposit in the name of the Distribution Provider issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's; or
- (f) a payment bond certificate in the name of the Distribution Provider issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's.

Interconnection Financial Security instruments as listed above shall be in such form as the Distribution Provider may reasonably require from time to time by notice to Interconnection Customers or in such other form as has been evaluated and approved as reasonably acceptable by the Distribution Provider. The Distribution Provider shall require the use of standardized forms of Interconnection Financial Security to the greatest extent possible. If at any time the guarantor of the Interconnection Financial Security fails to maintain the credit rating required by this GIP Section 4.8.1, the Interconnection Customer shall provide to the Distribution Provider replacement Interconnection Financial Security meeting the requirements of this GIP Section 4.8.1 within five (5) Business Days of the change in credit rating.

Interest on a cash deposit standing to the credit of the Distribution Provider in an interest-bearing escrow account under subpart (d) of this GIP Section 4.8.1 will accrue to the Interconnection Customer's benefit.

4.8.2 Initial Posting of Interconnection Financial Security. On or before ninety (90) Calendar Days after issuance of the final Phase I Interconnection Study report, Interconnection Customers must post, with notice to the Distribution Provider, two separate

Interconnection Financial Security instruments: (i) a posting relating to the applicable Network Upgrades; and (ii) a posting relating to the Distribution Provider's Interconnection Facilities and Distribution Upgrades. If the Distribution Provider revises a final Phase I Interconnection Study report pursuant to GIP Section 4.5.7.4, the initial postings set forth in this GIP Section 4.8.2 will be due from the Interconnection Customer by the later of ninety (90) Calendar Days after issuance of the original final Phase I Interconnection Study report or forty (40) Calendar Days after issuance of the revised final Phase I Interconnection Study report.

4.8.2.1 Interconnection Financial Security Posting Amounts

For Queue Cluster 4. First, the Interconnection Customer proposing to interconnect a Large Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen (15) percent of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, (ii) \$20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) \$7,500,000.

The Interconnection Customer proposing to interconnect a Small Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen (15) percent of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, or (ii) \$20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request.

If an Interconnection Customer switches its status from Full Capacity Deliverability Status or Partial Capacity Deliverability Status to Energy-Only Deliverability Status within ten (10) Business Days following the Phase I Interconnection Study Results Meeting, as permitted in GIP Section 4.6.1, the required Interconnection Financial Security for Network Upgrades shall be capped, for purposes of this section, at an amount no greater than the total cost responsibility assigned to the Interconnection

Customer in the Phase I Interconnection Study for Reliability Network Upgrades.

Second, the Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of fifteen (15) percent of the total estimated cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

4.8.2.2 Interconnection Financial Security Posting Amounts For Queue Cluster 5 and Subsequent Queue Clusters.

4.8.2.2.1 Posting Amount for Network Upgrades for Small Generating Facilities. Each Interconnection Customer for a Small Generating Facility shall post an Interconnection Financial Security instrument as follows:

1) Interconnection Customers selecting Energy Only Deliverability Status must post for Reliability Network Upgrades. The posting amount for such Reliability Network Upgrades shall equal the lesser of (i) fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, or (ii) \$20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto.

2) Interconnection Customers selecting Option (A) Full Capacity Deliverability Status or Partial Capacity Deliverability Status must post for Reliability Network Upgrades and Local Delivery Network Upgrades. The posting amount for such Reliability Network Upgrades and Local Delivery Network Upgrades shall equal the lesser of (i) fifteen percent (15%) of the total Reliability Network Upgrades and Local Delivery Network Upgrades cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study, or (ii) \$20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as

listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto.

3) Interconnection Customers selecting Option (B) Full Capacity Deliverability Status or Partial Capacity Deliverability Status must post for Reliability Network Upgrades, Local Delivery Network Upgrades and Area Delivery Network Upgrades. The posting amount for such Reliability Network Upgrades, Local Delivery Network Upgrades and Area Delivery Network Upgrades shall equal the lesser of (i) fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, or (ii) \$20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto.

4.8.2.2.2 Posting Amount for Network Upgrades for Large Generating Facilities. Each Interconnection Customer for a Large Generating Facility shall post an Interconnection Financial Security instrument as follows:

1) Interconnection Customers selecting Energy Only Deliverability Status must post for Reliability Network Upgrades. The posting amount for such Reliability Network Upgrades shall equal the lesser of (i) fifteen percent (15%) of the total Reliability Network Upgrades cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study, (ii) \$20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) \$7,500,000.

In addition, if an Interconnection Customer switches its status from Full Capacity Deliverability Status to Energy-Only Deliverability Status within five (5) Business Days following the Phase I Interconnection Study Results Meeting, the required Interconnection Financial Security for Network Upgrades shall, for purposes of this section, be

additionally capped at an amount no greater than the total cost responsibility assigned to the Interconnection Customer in the Phase I Interconnection Study for Reliability Network Upgrades.

2) Interconnection Customers selecting Option (A) Full Capacity **Deliverability Status** or Partial Capacity **Deliverability Status** must post for Reliability Network Upgrades and Local Delivery Network Upgrades. The posting amount for such Reliability Network Upgrades and Local Delivery Network Upgrades shall equal the lesser of (i) fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, (ii) \$20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) \$7,500,000.

3) Interconnection Customers selecting Option (B) Full Capacity **Deliverability Status** or Partial Capacity **Deliverability Status** must post for Reliability Network Upgrades, Local Delivery Network Upgrades, and Area Delivery Network Upgrades. The posting amount for such Reliability Network Upgrades, Local Delivery Network Upgrades, and Area Delivery Network Upgrades shall be equal to the lesser of (i) fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, (ii) \$20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) \$7,500,000.

4.8.2.2.3 Posting Amount for Distribution Provider's Interconnection Facilities and Distribution Upgrades. The Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of fifteen (15) percent of the total estimated cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Distribution Provider's Interconnection Facilities

and Distribution Upgrades.

4.8.2.3 Consequences for Failure to Post. The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 4.8.2 shall result in the Interconnection Request being deemed withdrawn and subject to GIP Section 3.11.

4.8.2.4 Timing of Notice to the Distribution Provider. The Interconnection Customer shall provide the Distribution Provider with written notice that it has posted the required Interconnection Financial Security no later than the applicable final day for posting.

4.8.2.5 Effect of Decrease in Output on Initial Posting Requirement. If an Interconnection Customer decreases the electrical output of its facility after the completion of the Phase I Interconnection Study, pursuant to GIP Section 4.5.7.2, and the Distribution Provider, in consultation with the ISO, is able to reasonably determine, prior to the date for initial posting of Interconnection Financial Security, that as a result of such decrease (solely or in combination with other modifications made by Interconnection Customers in the same Group Study) some of the Network Upgrades, Distribution Upgrades, and/or Distribution Provider's Interconnection Facilities identified in the Phase I Interconnection Study will no longer be required, then the calculation of the initial posting of Interconnection Financial Security will not include those Network Upgrades, Distribution Upgrades, and/or Distribution Provider's Interconnection Facilities. Such determination will be made based on the Distribution Provider's best engineering judgment and will not include any re-studies.

4.8.3 Second Posting of Interconnection Financial Security. On or before one hundred eighty (180) Calendar Days after issuance of the final Phase II Interconnection Study report, the Interconnection Customer shall post, with notice to the Distribution Provider, two separate Interconnection Financial Security instruments: (i) a posting relating to the applicable Network Upgrades; and (ii) a posting relating to the Distribution Provider's Interconnection Facilities and Distribution Upgrades. However, if the Distribution Provider revises a final Phase II Interconnection Study report pursuant to GIP Section 4.5.7.4, the postings set forth in this GIP Section 4.8.3 will be due from the Interconnection Customer by the later of one hundred-eighty (180) Calendar Days after issuance of

the original final Phase II Interconnection Study report or sixty (60) Calendar Days after issuance of the revised final Phase II Interconnection Study report.

4.8.3.1 Interconnection Financial Security Posting Amounts

For Queue Cluster 4. First, the Interconnection Customer proposing to interconnect a Large Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Network Upgrades equals the lesser of (i) \$15 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Phase I Interconnection Study or final Phase II Interconnection Study, whichever is lower.

The Interconnection Customer proposing to interconnect a Small Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Network Upgrades equals the lesser of (i) \$1 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Phase I Interconnection Study or final Phase II Interconnection Study, whichever is lower.

Second, the Interconnection Customer shall also post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades equals thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer in the final Phase II Interconnection Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

4.8.3.2 Interconnection Financial Security Posting Amounts For Queue Cluster 5 and Subsequent Queue Clusters.

4.8.3.2.1 Posting Requirements and Timing for Parked Option

(A) Generating Facilities. For an Interconnection Customer choosing Option (A) whose Generating Facility was not allocated TP Deliverability in the first TP Deliverability allocation following its receipt of the final Phase II Interconnection Study, and who chooses to park

the Interconnection Request, the posting due date will be extended by 12 months.

For an Interconnection Customer choosing Option (A) whose Generating Facility was allocated TP Deliverability for less than the full amount of its Interconnection Request, and who chooses to seek additional TP Deliverability for the remainder of the requested Deliverability of the Interconnection Request in the next allocation cycle, the postings for Reliability Network Upgrades, Distribution Provider's Interconnection Facilities, Distribution Upgrades and for Local Delivery Network Upgrades corresponding to the initial allocation of TP Deliverability will be due in accordance with the dates specified above. The posting due date for the Local Delivery Network Upgrades corresponding to the remainder of the requested Deliverability will be extended by 12 months.

4.8.3.2.2 Posting Amount for Network Upgrades for Small Generating Facilities. For each Interconnection Customer for a Small Generating Facility, the second Interconnection Financial Security instrument shall bring the security amount up to the following:

- 1) For Interconnection Customers selecting Energy Only Deliverability Status: the lesser of (i) \$1 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades in the final Phase II Interconnection Study report.
- 2) For Interconnection Customers who have Option (A) Generating Facilities, the lesser of (i) \$1 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades and Local Delivery Network Upgrades in the final Phase II Interconnection Study.
- 3) For Interconnection Customers who have Option (B) Generating Facilities: the lesser of (i) \$1 million, or (ii) the sum of: (a) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades and Local Delivery Network Upgrades in the final Phase II Interconnection Study; plus, (b) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for Area Delivery Network Upgrades in the final Phase II Interconnection Study. However, to the extent that the Option (B) Interconnection

Customer's Generating Facility is allocated TP Deliverability, the cost responsibility assigned to the Interconnection Customer for Area Delivery Network Upgrades will be adjusted to reflect the allocation of TP Deliverability. If the allocation of TP Deliverability is sufficient to provide for the full Deliverability of the Interconnection Request, then the Area Delivery Network Upgrades cost responsibility will equal zero (0). If the allocation of TP Deliverability is insufficient to provide the full Deliverability of the Interconnection Request, then the Area Delivery Network Upgrades cost responsibility will be reduced pro rata.

4.8.3.2.3 Posting Amount for Network Upgrades for Large Generating Facilities. Each Interconnection Customer for a Large Generating Facility shall post an Interconnection Financial Security instrument that brings the security amount up to the following:

- 1) For Interconnection Customers selecting Energy Only Deliverability Status: the lesser of (i) \$15 million or (ii) thirty (30) percent of the total cost responsibility assigned to the (i) \$15 million or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades in the final Phase II Interconnection Study.
- 2) For Interconnection Customers who have Option (A) Generating Facilities: the lesser of (i) \$15 million or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades and Local Delivery Network Upgrades in the final Phase II Interconnection Study.
- 3) For Interconnection Customers who have Option (B) Generating Facilities: the lesser of (i) \$15 million or (ii) the sum of: (a) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades and Local Delivery Network Upgrades in the final Phase II Interconnection Study; plus (b) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for Area Delivery Network Upgrades in the final Phase II Interconnection Study. However, to the extent that the Option (B) Interconnection Customer's Generating Facility is allocated TP Deliverability, the cost responsibility assigned to the

Interconnection Customer for Area Delivery Network Upgrades will be adjusted to reflect the allocation of TP Deliverability. If the allocation of TP Deliverability is sufficient to provide for the full Deliverability of the Interconnection Request, then the Area Delivery Network Upgrades cost responsibility will equal zero (0). If the allocation of TP Deliverability is insufficient to provide the full Deliverability of the Interconnection Request, then the Area Delivery Network Upgrades cost responsibility will be reduced pro rata.

4.8.3.2.4 Posting Amount for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

The Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of thirty (30) percent of the total estimated cost responsibility assigned to the Interconnection Customer in the final Phase II Interconnection Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

4.8.3.3 Early Commencement of Construction Activities. If the start date for Construction Activities of Network Upgrades, Distribution Provider's Interconnection Facilities and Distribution Upgrades on behalf of the Interconnection Customer is prior to one hundred eighty (180) Calendar Days after issuance of the final Phase II Interconnection Study report, that start date must be set forth in the Interconnection Customer's GIA, and the Interconnection Customer shall make its second posting of Interconnection Financial Security pursuant to GIP Section 4.8.4 rather than GIP Section 4.8.3.

4.8.3.4 Consequences for Failure to Post. The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 4.8.3 shall result in the Interconnection Request being deemed withdrawn and subject to GIP Section 3.11 or, if applicable, shall constitute grounds for termination of the GIA pursuant to GIA Article 2.3.

4.8.4 Third Posting of Interconnection Financial Security. On or before the start of Construction Activities for Network Upgrades or Distribution Provider's Interconnection Facilities or Distribution Upgrades on behalf of the Interconnection Customer, whichever is earlier, the Interconnection Customer shall modify the two separate

Interconnection Financial Security instruments posted pursuant to GIP Section 4.8.3.

4.8.4.1 Interconnection Financial Security Posting Amounts

For Queue Cluster 4. With respect to the Interconnection Financial Security instrument for Network Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Phase I Interconnection Study or Phase II Interconnection Study, whichever is lower. With respect to the Interconnection Financial Security instrument for Distribution Provider's Interconnection Facilities or Distribution Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Distribution Provider's Interconnection Facilities in the final Phase II Interconnection Study.

4.8.4.2 Interconnection Financial Security Posting Amounts For Queue Cluster 5 and Subsequent Queue Clusters.

4.8.4.2.1 Network Upgrades. With respect to the Interconnection Financial Security instrument for Network Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades, Local Delivery Network Upgrades, and Area Delivery Network Upgrades.

An Interconnection Customer whose Option (B) Generating Facility was not allocated TP Deliverability and elects to have a party other than the Distribution Provider construct the Local Delivery Network Upgrades or Area Delivery Network Upgrades is not required to make the third posting for its cost responsibilities for such Local Delivery Network Upgrades or Area Delivery Network Upgrades. However, such Interconnection Customer will be required to demonstrate its financial capability to pay for the full cost of construction of its share, as applicable, of the Local Delivery Network Upgrades or Area Delivery Network Upgrades pursuant to Section 24.4.6.1 of the ISO Tariff. An Interconnection Customer's election to have a party other than the Distribution Provider construct Local Delivery Network Upgrades or Area Delivery Network

Upgrades does not relieve the Interconnection Customer of the responsibility to fund or construct such Local Delivery Network Upgrades or Area Delivery Network Upgrades. Upon the Interconnection Customer's demonstration to the Distribution Provider and the ISO that the Interconnection Customer has expended the amount of the avoided posting requirement on construction of the Local Delivery Network Upgrades or Area Delivery Network Upgrades described here, the Interconnection Customer's second posting for these facilities will be returned to the Interconnection Customer, unless the Distribution Provider and Interconnection Customer agree to an alternative arrangement.

4.8.4.2.2 Distribution Provider's Interconnection Facilities and Distribution Upgrades. With respect to the Interconnection Financial Security instrument for the Distribution Provider's Interconnection Facilities and Distribution Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for the Distribution Provider's Interconnection Facilities and Distribution Upgrades in the final Phase II Interconnection Study report.

4.8.4.3 Consequences for Failure to Post. The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 4.8.4 shall constitute grounds for termination of the GIA pursuant to GIA Article 2.3.

4.8.5 General Effect of Withdrawal of Interconnection Request or Termination of the GIA on Interconnection Financial Security. Except as set forth in GIP Section 4.8.5.1, withdrawal of an Interconnection Request or termination of a GIA shall allow the Distribution Provider to liquidate the Interconnection Financial Security, or balance thereof, posted by the Interconnection Customer for Network Upgrades at the time of withdrawal. To the extent the amount of the liquidated Interconnection Financial Security plus capital, if any, separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer, the Distribution Provider shall remit to the Interconnection Customer the excess amount.

Withdrawal of an Interconnection Request or termination of a GIA shall result in the release to the Interconnection Customer of any Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer for the Distribution Provider's Interconnection Facilities and Distribution Upgrades and for which the Distribution Provider has not been reimbursed.

4.8.5.1 Conditions for Partial Recovery of Interconnection Financial Security Upon Withdrawal of Interconnection Request or Termination of GIA. A portion of the Interconnection Financial Security shall be released to the Interconnection Customer, consistent with GIP Section 4.8.5.2, if the withdrawal of the Interconnection Request or termination of the GIA occurs for any of the following reasons:

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

Interconnection Customers that attested on the TP Deliverability allocation affidavit under Section 8.9.2, part (2), subpart (a) of Appendix DD to the ISO Tariff are ineligible to claim this condition for partial recovery of Interconnection Financial Security.

- (b) **Failure to Secure a Necessary Permit.** At the time of withdrawal of the Interconnection Request or termination of the GIA, the Interconnection Customer demonstrates to the Distribution Provider that it has received a final denial from the primary issuing Governmental Authority of any permit or other authorization necessary for the construction or

operation of the Generating Facility.

- (c) **Increase in the Cost of Distribution Provider's Interconnection Facilities or Distribution Upgrades.** The Interconnection Customer withdraws the Interconnection Request or terminates the GIA based on an increase of: (i) more than 30% or \$300,000, whichever is greater, in the estimated cost of Distribution Provider's Interconnection Facilities; or (ii) more than 30% or \$300,000, whichever is greater, in the estimated cost of Distribution Upgrades allocated to the Interconnection Customer from the Phase I Interconnection Study to the Phase II Interconnection Study. This GIP Section 4.8.5.1(c) shall not apply if the cause of the cost increase under (i) or (ii) above is the result of a change requested by the Interconnection Customer pursuant to Section 4.5.7.2 of this GIP.
- (d) **Material Change in Interconnection Customer's Interconnection Facilities Created by the Distribution Provider's Change in the Point of Interconnection.** The Interconnection Customer withdraws the Interconnection Request or terminates the GIA based on a material change from the Phase I Interconnection Study in the Point of Interconnection for the Generating Facility mandated by the Distribution Provider and included in the final Phase II Interconnection Study. A material change in the Point of Interconnection shall be where the Point of Interconnection has moved to (i) a different substation, (ii) a different line on a different right of way, or (iii) a materially different location than previously identified on the same line.
- (e) An Interconnection Customer in Queue Cluster 5 or subsequent Queue Clusters having selected Option (A) in accordance with GIP Section 4.6.2 is not allocated TP Deliverability and notifies the Distribution Provider and ISO of its election to withdraw by the deadline for the second posting of Interconnection Financial Security. This condition does not apply to an Interconnection Customer whose Generating Facility was allocated TP Deliverability for a portion of its Interconnection Request and elected to park for one Cluster Study Cycle and seek additional Deliverability in the next TP Deliverability allocation

process.

- (f) An Interconnection Customer in Queue Cluster 5 or subsequent Queue Clusters having selected Option (B) in accordance with GIP Section 4.6.2 an increase in the Phase II Interconnection Study cost estimates for Area Delivery Network Upgrades over the Phase I Interconnection Study cost estimates for Area Delivery Network Upgrades of either twenty (20) percent, or \$20 million, whichever is less. Provided, however, that the Interconnection Financial Security shall not be released if this increase in the estimated cost of Area Delivery Network Upgrades is due to the Interconnection Customer's requested modification to the interconnection configuration.

4.8.5.2 Determining Refundable Portion of the Interconnection Financial Security for Network Upgrades.

4.8.5.2.1 Withdrawal Between the First Posting and the Deadline for the Second Posting. If the Interconnection Customer either withdraws its Interconnection Request or terminates its GIA under any of the applicable conditions (a)-(f) of GIP Section 4.8.5.1 and at any time between the initial posting and the deadline for the second posting of the Interconnection Financial Security for applicable Network Upgrades, the Distribution Provider shall liquidate the Interconnection Financial Security for the applicable Network Upgrades under GIP Section 4.8.2 and reimburse the Interconnection Customer the lesser of: (a) the Interconnection Financial Security plus any other provided security plus any separately provided capital less all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, or (b) the Interconnection Financial Security plus any other provided security plus any separately provided capital minus the lesser of (i) fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or (ii) \$10,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal.

4.8.5.2.2 Withdrawal Between the Second Posting and the Commencement of Construction Activities.

If the Interconnection Customer either withdraws its Interconnection Request or terminates its GIA under any of the applicable conditions (a)-(f) of GIP Section 4.8.5.1 and at any time between the second posting of the Interconnection Financial Security for applicable Network Upgrades and the commencement of Construction Activities for such Network Upgrades, then the Distribution Provider shall liquidate the Interconnection Financial Security for the applicable Network Upgrades under GIP Section 4.8.3 and reimburse the Interconnection Customer the lesser of: (a) the Interconnection Financial Security plus any other provided security plus any separately provided capital less all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, or (b) the Interconnection Financial Security plus any other provided security plus any separately provided capital minus the lesser of (i) fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or (ii) \$20,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal.

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

If, at any time after the second posting requirement under GIP Section 4.8.3, the Interconnection Customer withdraws the Interconnection Request or terminates the GIA, as applicable, in accordance with GIP Section 4.8.5.1(b), and the Delivery Network Upgrades to be financed by the Interconnection Customer are also to be financed by one or more other Interconnection Customers, then GIP Section 4.8.5.2.1 shall apply, except that the Interconnection Customer shall not be reimbursed for its share of any actual costs incurred or irrevocably committed by the Distribution Provider for Construction Activities.

4.8.5.2.4 After Commencement of Construction Activities.

Except as otherwise provided in GIP

Section 4.8.5.2.3, once Construction Activities on Network Upgrades on behalf of the Interconnection Customer commence, any withdrawal of the Interconnection Request or termination of the GIA by the Interconnection Customer will be treated as follows: The Distribution Provider shall liquidate the Interconnection Financial Security, or balance thereof, posted by the Interconnection Customer for Network Upgrades at the time of withdrawal. To the extent the amount of the liquidated Interconnection Financial Security plus capital, if any, separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer, the Distribution Provider shall remit to the Interconnection Customer the excess amount. Withdrawal of an Interconnection Request or termination of a GIA shall result in the release to the Interconnection Customer of any Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer for the Distribution Provider's Interconnection Facilities or Distribution Upgrades and for which the Distribution Provider has not been reimbursed in accordance with this section.

4.8.5.2.5 Notification to ISO and Accounting by Distribution Provider. The Distribution Provider will notify the ISO within three (3) Business Days of liquidating any Interconnection Financial Security. Within thirty (30) Calendar Days of any liquidating event, the Distribution Provider will provide the ISO and Interconnection Customer with an accounting of the disposition of the proceeds of the liquidated Interconnection Financial Security and remit to the ISO all proceeds not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer in accordance with this GIP Section 4.8.5. All non-refundable portions of the Interconnection Financial Security remitted to the ISO in accordance with this GIP Section 4.8.5 shall be treated in

accordance with Section 7.6 of Appendix DD to the ISO Tariff.

4.8.5.3 Adjusting Network Upgrade Postings Following Reassessment

Process. For Interconnection Customers in Queue Cluster 5 or subsequent Queue Clusters having selected Option (B), the most recent reassessment conducted under Section 7.4 of Appendix DD of the ISO Tariff in any Interconnection Study Cycle following the Interconnection Customer's receipt of its Phase II Interconnection Study report shall provide the most recent cost estimates for the Interconnection Customer's Area Delivery Network Upgrades, and the Interconnection Customer shall adjust its Interconnection Financial Security for Network Upgrades to correspond to the most recent estimate for Area Delivery Network Upgrades.

4.9 Generator Interconnection Agreement (GIA)

4.9.1 Tender. If the Interconnection Customer requested Full Capacity Deliverability Status or Partial Capacity Deliverability Status, then within thirty (30) Calendar Days after the Distribution Provider provides the updated Phase II Interconnection Study report (or by an earlier date, if all parties agree) which includes the ISO's allocation of TP Deliverability to the Interconnection Customer, the Distribution Provider shall tender a draft GIA, together with draft appendices. If the Interconnection Customer requested Energy-Only Deliverability Status, then within thirty (30) Calendar Days following the Results Meeting for the final Phase II Interconnection Study (or by an earlier date, if all parties agree), the Distribution Provider shall tender a draft GIA, together with draft appendices. The draft GIA shall be in the form of Distribution Provider's FERC-approved form GIA, which is in Appendix 5 to the GIP. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices within thirty (30) Calendar Days.

However, an eligible Interconnection Customer in Queue Cluster 5 or subsequent Queue Clusters may make a one-time election to opt for a Rule 21 GIA by notifying the Distribution Provider in writing no later than seven (7) Calendar Days after the Distribution Provider provides the final Phase II Interconnection Study report to the Interconnection Customer. The draft Rule 21 GIA shall be in the form of Distribution Provider's CPUC-approved form Rule 21 GIA. To make this election, the Interconnection Customer must be eligible to interconnect under state jurisdiction at the time of election. On the date a Rule 21 GIA is executed by the Interconnection Customer and Distribution Provider, jurisdiction

over the Interconnection Service reverts to the CPUC, except as otherwise provided in the Rule 21 GIA.

4.9.2 Negotiation. Notwithstanding GIP Section 4.9.1, at the request of Interconnection Customer Distribution Provider shall begin negotiations with Interconnection Customer concerning the appendices to the GIA at any time after the Distribution Provider provides the Interconnection Customer with the final Phase II Interconnection Study report. Distribution Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than one hundred twenty (120) Calendar Days after the Distribution Provider provides the Interconnection Customer with the final Phase II Interconnection Study report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft GIA pursuant to GIP Section 4.9.1 and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to GIP Section 11.2. If Interconnection Customer requests termination of the negotiations, but within one hundred twenty (120) Calendar Days after issuance of the final Phase II Interconnection Study report, fails to request either the filing of the unexecuted GIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to GIP Section 11.2 within one hundred twenty (120) Calendar Days after issuance of the final Phase II Interconnection Study report, it shall be deemed to have withdrawn its Interconnection Request. Distribution Provider shall provide to Interconnection Customer a final GIA within fifteen (15) Business Days after the completion of the negotiation process.

The Distribution Provider may declare an impasse upon one hundred twenty (120) Calendar Days after issuance of the final Phase II Interconnection Study report, or at anytime following one hundred twenty (120) Calendar Days after issuance of the final Phase II Interconnection Study report if the Parties have agreed to extend negotiation of the GIA. If the Distribution Provider declares an impasse, the Distribution Provider will file the GIA unexecuted with FERC within twenty one (21) Calendar Days.

Anytime after the final Phase II Interconnection Study report is issued, if the Interconnection Customer's In-Service Date is not achievable based on the estimated time (i) to negotiate the GIA,

and (ii) to construct the longest lead Network Upgrade, Interconnection Facility, or Distribution Upgrade as set forth in the Interconnection Study reports, the Interconnection Request shall be deemed withdrawn pursuant to GIP Section 3.11.

Execution of the GIA and the filing of the GIA at FERC are addressed in Section 9 of the GIP.

Section 5. Independent Study Process

5.1 Timing For Submitting Interconnection Requests

An Interconnection Customer may submit an Interconnection Request for processing under the Independent Study Process at any time during the year. The Distribution Provider, in coordination with the ISO, as applicable, will study Interconnection Requests eligible for treatment under the Independent Study Process independently from other Interconnection Requests.

5.1.1 Interconnection Requests for the Independent Study Process received by the Distribution Provider during the period commencing thirty (30) Calendar Days prior to the opening of a Cluster Application Window through the last day of the Cluster Application Window, or projects that elect to be evaluated under the Independent Study Process pursuant to GIP Sections 6.9.3, 6.11 or 6.11.5.3 that submit the required deposit during or after this period, will be placed in the interconnection queue after projects received during the applicable Cluster Application Window for the purpose of evaluating the Electrical Independence Test and performing the Interconnection Studies.

5.2 Processing of Interconnection Request

5.2.1 Initiating an Interconnection Request. To initiate an Interconnection Customer under the Independent Study Process, Interconnection Customer must submit all of the following: (i) an Interconnection Study Deposit equal to \$50,000 plus \$1,000 per MW of electrical output of the Generating Facility, or the increase in electrical output of the existing Generating Facility, as applicable, rounded up to the nearest whole megawatt, up to a maximum of \$250,000; (ii) a completed Interconnection Request in the form of Appendix 1 to the GIP, including requested deliverability status, preferred Point of Interconnection and voltage level, and all other technical data; and (iii) demonstration of Site Exclusivity or a posting of a Site Exclusivity Deposit of \$100,000 for a Small Generating Facility or \$250,000 for a Large Generating Facility. The demonstration of Site Exclusivity, at a minimum, must be

through the Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility.

5.2.1.1 Use of Interconnection Study Deposit. The Interconnection Study Deposit shall be applied to pay for prudent costs incurred by the Distribution Provider, the ISO, or third parties at the direction of the Distribution Provider or ISO, as applicable, to perform and administer the Interconnection Studies.

The Interconnection Study Deposits shall be refundable as follows:

- (a) Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 on or before thirty (30) Calendar Days following the Scoping Meeting, the Distribution Provider shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit that exceeds the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).
- (b) Should an Interconnection Request made under GIP Section 5.2.1 be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 more than thirty (30) Calendar Days after the Scoping Meeting, but on or before thirty (30) Calendar Days following the Results Meeting for the Interconnection System Impact Study, the Distribution Provider shall refund to the Interconnection Customer the difference between (i) the Interconnection Customer's Interconnection Study Deposit and (ii) the greater of the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf or one-half of the original Interconnection Study Deposit up to a maximum of \$100,000, including interest from the date of receipt

by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).

- (c) Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 at any time more than thirty (30) Calendar Days after the Results Meeting for the Interconnection System Impact Study, the Interconnection Study Deposit shall be non-refundable.
- (d) Upon execution of a GIA by an Interconnection Customer and the Distribution Provider, or the approval by FERC of an unexecuted GIA, the Distribution Provider shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit that exceeds the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).

Notwithstanding the foregoing, an Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall be obligated to pay to the Distribution Provider all costs in excess of the Interconnection Study Deposit that have been prudently incurred or irrevocably have been committed to be incurred with respect to that Interconnection Request prior to withdrawal. The Distribution Provider will reimburse the ISO or third parties, as applicable, for all work performed on behalf of the withdrawn Interconnection Request at the Distribution Provider's direction. The Interconnection Customer must pay all monies due before it is allowed to obtain any Interconnection Study data or results. Any proceeds of the Interconnection Study Deposit not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed to be incurred for the

Interconnection Studies shall be remitted to the ISO and treated in accordance with Section 7.6 of Appendix DD to the ISO Tariff.

5.2.1.2 Use of Site Exclusivity Deposit. The Site Exclusivity Deposit shall be refundable to the Interconnection Customer at any time upon demonstration of Site Exclusivity or the Interconnection Request is withdrawn by the Interconnection Customer or deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11. The refund of the Site Exclusivity Deposit shall include interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii). The Site Exclusivity Deposit shall continue to be required after the Interconnection Customer either executes a GIA or requests the filing of an unexecuted GIA under GIP Section 9.1 if Site Exclusivity has not been demonstrated.

5.3 Validation of Interconnection Request

5.3.1 Acknowledgment of Interconnection Request. Distribution Provider shall notify the Interconnection Customer within ten (10) Business Days of receipt of the Interconnection Request, which notice shall state whether the Interconnection Request is deemed valid.

5.3.2 Deficiencies in Interconnection Request. An Interconnection Request will not be considered to be a valid request until all items in GIP Section 5.2.1 have been received by Distribution Provider and deemed valid by the Distribution Provider. If an Interconnection Request fails to meet the requirements set forth in GIP Section 5.2.1, Distribution Provider shall include in its notification to the Interconnection Customer under GIP Section 5.3.1 the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Distribution Provider the additional requested information needed to constitute a valid request. Whenever the additional requested information is provided by the Interconnection Customer, the Distribution Provider shall notify the Interconnection Customer within five (5) Business Days of receipt of the additional requested information whether the Interconnection Request is valid. If the Interconnection Request continues to fail to meet the requirements set forth in GIP Section 5.2.1, the Distribution Provider shall include in its notification to the Interconnection Customer the reasons for such failure. If an Interconnection Request has not been deemed valid, the Interconnection

Customer must submit all information necessary to meet the requirements of GIP Section 5.2.1 no later than twenty (20) Business Days after the date the original Interconnection Request was submitted, or ten (10) Business Days after the Distribution Provider first provided notice that the Interconnection Request was not valid, whichever is later.

Interconnection Requests that have not met the requirements of GIP Section 5.2.1 within twenty (20) Business Days after the date the original Interconnection Request was submitted or ten (10) Business Days after the Distribution Provider first provided notice that the Interconnection Request was not valid, whichever is later, will not be included in the Independent Study Process and will be deemed invalid.

Interconnection Requests deemed invalid under this GIP Section 5.3.2 are not subject to GIP Section 3.11. Interconnection Customers with invalid Interconnection Requests under this GIP Section 5.3.2 may seek relief under GIP Section 11.2 by so notifying the Distribution Provider within two (2) Business Days of the notice of invalidity.

5.4 Criteria for Independent Study Process Eligibility

- (i) Any Interconnection Request that (i) specifies processing under the Independent Study Process, and (ii) passes the Electrical Independence Test as set forth in GIP Section 5.5, will be processed under the Independent Study Process.

5.5 Electrical Independence Test

The Distribution Provider will determine whether an Interconnection Request can be eligible for study under the Independent Study Process by performing the Electrical Independence Test. The Electrical Independence Test for Interconnection Requests proposing to interconnect to the Distribution System will consist of two parts, (1) the ISO's determination of electrical independence for the ISO Grid, and (2) an evaluation by the Distribution Provider of known or reasonably anticipated, in the engineering judgment of the Distribution Provider, relationships to yet-to-be completed Interconnection Studies of earlier-queued Generating Facilities to which the Generating Facility under consideration for the Electrical Independence Test is electrically related. The Interconnection Request must pass the ISO's determination of electrical independence for the ISO Grid, as well as the Distribution Provider's evaluation of electrical independence for the Distribution System, in order to be eligible for the Independent Study Process.

5.5.1 The ISO's Determination of Electrical Independence for the ISO Grid.

If the Interconnection Request to the Distribution System is of sufficient MW size to be reasonably anticipated, in the engineering judgment of the Distribution Provider and in consultation with the ISO, to require or contribute to the need for Network Upgrades, Distribution Provider will request that the ISO, in coordination with the Distribution Provider, conduct the Determination of Electrical Independence for the

ISO Grid as set forth in Section 4.2 of Appendix Y of the ISO Tariff for Interconnection Requests received prior to December 1, 2012 or Section 4.2 of Appendix DD of the ISO Tariff for Interconnection Requests received on or after December 1, 2012. If the Interconnection Request does not pass the incremental power flow, aggregate power flow, and short-circuit duty tests included in Section 4.2 of Appendix Y of the ISO Tariff or Section 4.2 of Appendix DD of the ISO Tariff, as applicable, then it fails the evaluation of electrical independence for the ISO Grid.

If Distribution Provider does not reasonably anticipate, in the engineering judgment of the Distribution Provider and in consultation with the ISO, to require or contribute to the need for Network Upgrades, then the Interconnection Request will be deemed to have passed the ISO's Determination of Electrical Independence for the ISO Grid, and will be separately evaluated by Distribution Provider, as set forth in GIP Section 5.5.2.

5.5.2 The Distribution Provider's Evaluation of Electrical Independence for the Distribution System. Distribution Provider will evaluate each Interconnection Request for known or reasonably anticipated, in the engineering judgment of the Distribution Provider, relationships between the Interconnection Request and any earlier-queued Interconnection Requests in the Cluster Study Process, the Independent Study Process, or Interconnection Requests studied under predecessor interconnection procedures that have yet to complete their respective Interconnection System Impact Study or Phase I Interconnection Study. Distribution Provider will use existing Interconnection Studies, Base Case data, overall system knowledge, and engineering judgment to determine whether an Interconnection Request can be studied independently of earlier-queued generation. If the Interconnection Request being evaluated for electrical independence on the Distribution System may be electrically related to earlier-queued Generating Facilities that have yet to complete either Interconnection System Impact Study or Phase I Interconnection Study, then it fails the evaluation of electrical independence for the Distribution System.

5.5.3 Timing of Electrical Independence Test and Deemed Withdrawal Due to Failure of Electrical Independence Test. The Distribution Provider will inform an Interconnection Customer whether it has satisfied the requirements set forth in GIP Section 5.5 within twenty (20) Business Days of deeming the Interconnection Request complete. Any Interconnection Request that does not satisfy the criteria set forth in GIP Section 5.5 shall be deemed withdrawn, without prejudice of the Interconnection Customer submitting a new Interconnection Request into a later Cluster Application Window.

An Interconnection Request that fails the Electrical Independence Test, including either the ISO's test for independence under GIP Section 5.5.1 or the Distribution Provider's test for independence under GIP Section 5.5.2, will be required to wait twelve (12) months from the date the Interconnection Customer was informed of the failure of the Electrical Independence Test to resubmit an Interconnection Request under the Independent Study Process with a similar Point of Interconnection, unless all of the relevant Interconnection System Impact and/or Phase I Interconnection Studies have been completed for the earlier-queued Generating Facilities that were the cause of the Interconnection Request failing the GIP Section 5.5 test. A similar Point of Interconnection is any Point of Interconnection that would be electrically related to the original Interconnection Request that failed the Electrical Independence Test.

5.5.3.1 Notwithstanding GIP Section 5.5.3, an Interconnection Request subject to GIP Section 5.1.1 will be informed whether it has satisfied the requirements set forth in GIP Section 5.5 within twenty (20) Business Days following the closing of the applicable Cluster Application Window. If the Interconnection Request fails the Electrical Independence Test due solely to projects that are part of the applicable Queue Cluster, the Interconnection Customer will be given a one-time option to temporarily park its Interconnection Request without further action until the Phase I Interconnection Studies have been completed for the applicable Queue Cluster and a second Electrical Independence Test is performed. To be eligible for the one-time option to park, the Interconnection Customer must notify the Distribution Provider of its election to park within ten (10) Business Days of being informed by Distribution Provider of failure of the Electrical Independence Test due solely to projects that are part of the applicable Queue Cluster.

5.6 Impact of a Request for Full Capacity Deliverability Status or Partial Capacity Deliverability Status On The Independent Study Process

Unless specified otherwise in the Interconnection Request, Generating Facilities eligible to be studied under the Independent Study Process will be assumed to have selected Energy-Only Deliverability Status. If an Interconnection Customer requests Full Capacity Deliverability Status or Partial Capacity Deliverability Status in its Interconnection Request for the Independent Study Process, the eligible Generating Facility will initially be studied in the Independent Study Process as Energy-Only Deliverability Status. The Deliverability Assessment for eligible Interconnection Requests in the Independent Study Process that request Full Capacity Deliverability Status or Partial Capacity Deliverability Status will be performed in conjunction with the next available Cluster Study Process pursuant to GIP Section 4.5.4.2, or as part of the additional Deliverability Assessment options as set forth in GIP Section 4.7.

5.7 Scoping Meeting

Within five (5) Business Days after the Distribution Provider notifies the Interconnection Customer that the Generating Facility associated with its Interconnection Request has satisfied the Electrical Independence Test set forth in GIP Section 5.5, the Distribution Provider shall establish a date agreeable to the Interconnection Customer, and the ISO, if applicable, for the Scoping Meeting.

The purpose of the Scoping Meeting shall be to discuss reasonable Commercial Operation Dates and alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection and eliminate alternatives given resources and available information.

The Distribution Provider will bring to the meeting, as reasonably necessary to accomplish its purpose, such already available technical data, including, but not limited to, (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues.

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

Within five (5) Business Days after the Scoping Meeting, the Distribution Provider shall provide the Interconnection Customer with an Independent Study Process Study Agreement in the form set forth in Appendix 4 to the GIP, which shall contain an outline of the scope of the Interconnection System Impact Study and Interconnection Facilities Study, contain a non-binding good faith estimate of the cost to perform such studies, and shall specify that the Interconnection Customer is responsible for the actual cost of the Interconnection Studies, including reasonable administrative costs. The Interconnection Customer shall execute and deliver to the Distribution Provider the Independent Study Process Study Agreement no later than thirty (30) Calendar Days after the Scoping Meeting, or the Interconnection Request shall be deemed withdrawn.

5.8 Interconnection Studies

The Interconnection Studies shall consist of an Interconnection System Impact Study and an Interconnection Facilities Study. For Interconnection Requests received on and after December 1, 2012, the Interconnection Studies will also include the ISO's Transmission Plan. The analysis of impacts on, and upgrades required to, the ISO Grid will be

directed by the ISO pursuant to the terms and conditions of Appendix Y of the ISO Tariff for Interconnection Requests received prior to December 1, 2012 or Appendix DD of the ISO Tariff for Interconnection Requests received on and after December 1, 2012. The Interconnection Studies will identify direct Interconnection Facilities, Distribution Upgrades and required Reliability Network Upgrades necessary to mitigate thermal overloads and voltage violations, and address short circuit, stability, and reliability issues associated with the output of the Generating Facility. For Generating Facilities with storage which will charge from the Distribution System, the Interconnection Studies will include a non-binding preliminary analysis of the ability of the Distribution System to accommodate the requested Charging Capacity utilizing available capacity on the existing Distribution System and subject to limitations and/or restrictions as may be set forth in the GIA.

All cost estimates for Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Reliability Network Upgrades contained in the Interconnection Studies will be set forth in the Interconnection Study report in present dollar costs as well as time-adjusted dollar costs, adjusted to the estimated year of construction of the components being constructed.

5.8.1 Interconnection System Impact Study.

5.8.1.1 Scope of the Interconnection System Impact Study. The Interconnection System Impact Study will consist of a localized short circuit analysis, a stability analysis, a power flow analysis, and any other studies that are deemed necessary. The localized short circuit analysis will evaluate impacts to the Distribution System only with any local short circuit-duty related Reliability Network Upgrades allocated to the Generating Facility that requires the upgrades. Short circuit duty impacts to the ISO Grid are appropriately evaluated only in the Cluster Study Process as set forth in GIP Section 4. The short circuit duty contribution of any Interconnection Requests studied in the Independent Study Process that are subsequently identified in the Cluster Study Process will be allocated its pro rata share of the short circuit duty-related Reliability Network Upgrades on the basis of the short circuit duty contribution of each Generating Facility.

The Interconnection System Impact Study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested Interconnection Service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the Interconnection.

For Generating Facilities with storage which will charge from the Distribution System, the Interconnection System Impact Study shall include a non-binding preliminary analysis of the ability of the Distribution System to accommodate the requested Charging Capacity utilizing available capacity on the existing Distribution System.

The Interconnection System Impact Study shall provide a list of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Reliability Network Upgrades that are required as a result of the Interconnection Request along with a non-binding good faith estimate of cost responsibility and the amount of construction time required.

5.8.1.2 Timing of the Interconnection System Impact Study Results.

The Distribution Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within ninety (90) Calendar Days after the execution of an Independent Study Process Study Agreement. The Distribution Provider will share applicable study results with the ISO for review and comment and will incorporate comments into the study report. The Distribution Provider will issue a final Interconnection System Impact Study report to the Interconnection Customer.

At any time the Distribution Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Distribution Provider shall notify the Interconnection Customers as to the schedule status of the Interconnection System Impact Study and provide an estimated completion date with an explanation of the reasons why additional time is required.

Upon request, the Distribution Provider shall provide the Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Interconnection System Impact Study, subject to confidentiality arrangements consistent with GIP Section 11.1.

Should the Interconnection Customer provide written comments on the final Interconnection System Impact Study report within ten (10) Business Days of receipt of the report, but in no event less than three (3) Business Days before the Results Meeting conducted to discuss the report, whichever

is sooner, the Distribution Provider will address the written comments in the Interconnection System Impact Study Results Meeting. Should the Interconnection Customer provide comments at any later time (up to the time of the Results Meeting), then such comments shall be considered informal inquiries to which the Distribution Provider will provide informal, informational responses at the Results Meeting, to the extent possible.

The Interconnection Customer may submit, in writing, additional comments on the final Interconnection System Impact Study report up to (3) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received, the Distribution Provider (in consultation with the ISO) will determine, in accordance with GIP Section 5.8.1.3, whether it is necessary to follow the final Interconnection System Impact Study report with a revised study report or an addendum. The Distribution Provider will issue any such revised report or addendum to the Interconnection Customer no later than fifteen (15) Business Days following the Results Meeting.

5.8.1.3 Revisions and Addenda to Final Interconnection Study Reports.

5.8.1.3.1 Substantial Error or Omissions: Revised Study Report. Should the Distribution Provider discover, through written comments submitted by an Interconnection Customer or otherwise, that a final Interconnection Study report contains a substantial error or omission, the Distribution Provider, in consultation with the ISO, as applicable, will cause a revised final report to be issued to the Interconnection Customer. A substantial error or omission shall mean an error or omission that results in one or more of the following:

- (i) understatement or overstatement of the Interconnection Customer's cost responsibility for Network Upgrades by more than five (5) percent or one million dollars (\$1,000,000), whichever is greater; or
- (ii) results in a delay to the schedule by which the Interconnection Customer can achieve Commercial Operation, based on the results of the final Interconnection Study, by more than

one year.

A dispute over the plan of service by an Interconnection Customer shall not be considered a substantial error or omission unless the Interconnection Customer demonstrates that the plan of service was based on an invalid or erroneous study assumption that meets the criteria set forth above.

5.8.1.3.2 Other Errors or Omissions: Addendum. If an error or omission in an Interconnection Study report is not a substantial error or omission, the Distribution Provider shall not issue a revised final Interconnection Study report, although the error or omission may result in an adjustment of the corresponding Interconnection Financial Security. Rather, the Distribution Provider shall document such error or omission and make any appropriate correction by issuing an addendum to the final report.

The Distribution Provider shall also incorporate, as needed, any corrected information pertinent to the terms or conditions of the GIA in the draft GIA provided to an Interconnection Customer pursuant to GIP Section 5.10.

5.8.1.3.3 Only Substantial Errors or Omissions Adjust Posting Dates. Only substantial errors and omissions related to the Interconnection System Impact Study and Interconnection Facilities Study reports can result in adjustments to Interconnection Financial Security posting due dates. Once the initial and second Interconnection Financial Security posting due dates as described in this section have passed, the error or omission provisions described in this GIP Section 5.8.1.3.3 no longer apply. Unless the error or omission is a substantial error resulting in the issuance of a revised final Interconnection Study report, the correction of an error or omission shall not operate to delay any deadline for posting Interconnection Financial Security set forth in GIP Section 5.9.2. In the case of a substantial error or omission resulting in the issuance of a revised final Interconnection Study report, the deadline for posting Interconnection Financial Security shall be extended as set forth in GIP Section 5.9.2. In addition to issuing

a revised final report, the Distribution Provider will promptly notify the Interconnection Customer of any revised posting amount and extended due date occasioned by a substantial error or omission.

An Interconnection Customer's dispute of a Distribution Provider determination that an error or omission in a final study report does not constitute substantial error shall not operate to change the amount of Interconnection Financial Security that the Interconnection Customer must post or to postpone the applicable deadline for the Interconnection Customer to post Interconnection Financial Security. In case of such a dispute, the Interconnection Customer shall post the amount of Interconnection Financial Security in accordance with GIP Section 5.9.2, subject to refund in the event that the Interconnection Customer prevails in the dispute.

5.8.1.4 Interconnection System Impact Study Results Meeting. If requested by the Interconnection Customer, a Results Meeting shall be held among the Distribution Provider, the ISO, if applicable, and the Interconnection Customer to discuss the results of the Interconnection System Impact Study, including assigned cost responsibility. Any such Results Meeting will be held within twenty (20) Business Days of the date the final Interconnection System Impact Study report is provided to the Interconnection Customer.

5.8.1.5 Initial Posting of Interconnection Financial Security. The Interconnection Customer shall make its initial posting of Interconnection Financial Security in accordance with the requirements of GIP Section 5.9.2, within sixty (60) Calendar Days after being provided with the final Interconnection System Impact Study report, or its Interconnection Request shall be deemed withdrawn. The initial posting of Interconnection Financial Security will be based on the cost responsibility for Network Upgrades, Distribution Upgrades, and Distribution Provider's Interconnection Facilities set forth in the final Interconnection System Impact Study report.

5.8.1.6 Modifications. At any time during the course of the Interconnection Studies, the Interconnection Customer, the Distribution Provider, or the ISO, as applicable, may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection

Request. To the extent the identified changes are acceptable to the Distribution Provider, the ISO, as applicable, and Interconnection Customer, such acceptance not to be unreasonably withheld, Distribution Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes without altering the Interconnection Request's eligibility for participating in Interconnection Studies.

At the Interconnection System Impact Study Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection Request. After the issuance of the final Interconnection System Impact Study report, but no later than five (5) Business Days following the Interconnection System Impact Study Results Meeting, the Interconnection Customer shall submit to Distribution Provider, in writing, modifications to any information provided in the Interconnection Request. The Distribution Provider will forward the Interconnection Customer's request for modification to the ISO, if applicable, within two (2) Business Days of receipt. If no Interconnection System Impact Study Results Meeting is held, the Interconnection Customer shall submit to Distribution Provider any requested modifications within twenty-five (25) Business Days of the receipt of the final Interconnection System Impact Study report.

Modifications permitted under this GIP Section 5.8.1.6 shall include specifically: (a) a decrease in the electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics; (c) modifying the interconnection configuration; and (d) modifying the In-Service Date, Initial Synchronization Date, and/or Commercial Operation Date that meets the criteria set forth in GIP Section 3.9 and is acceptable to the Distribution Provider, such acceptance not to be unreasonably withheld. Changes to the deliverability status are not allowed.

For any modification other than these, the Interconnection Customer must first request that Distribution Provider evaluate whether such modification is a Material Modification as described below. In response to Interconnection Customer's request, Distribution Provider, in coordination with the ISO, if applicable, shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The Distribution Provider may, at its option, engage the services of the

ISO to assist in the assessment of the modification. Any change to the Point of Interconnection, except for that specified by the Distribution Provider in an Interconnection Study or otherwise allowed under this GIP Section 5.8.1.6, shall constitute a Material Modification. Interconnection Customer shall then either:

- (i) withdraw the proposed modification, or
- (ii) withdraw its Interconnection Request and submit a new Interconnection Request reflecting such modification.

For any modifications other than those permitted under this GIP Section 5.8.1.6, the Interconnection Customer shall provide the Distribution Provider a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) Calendar Days from the date the Distribution Provider receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. The Distribution Provider shall coordinate the modification request with the ISO. If the modification assessment cannot be completed within that time period, the Distribution Provider shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. The Interconnection Customer will be responsible for the actual costs incurred by the Distribution Provider and, if applicable, the ISO in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance within thirty (30) Calendar Days of being invoiced. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within thirty (30) Calendar Days of being invoiced.

The Interconnection Customer shall remain eligible to proceed with the Interconnection Facilities Study if the modifications are in accordance with this GIP Section 5.8.1.6.

5.8.2 Interconnection Facilities Study.

5.8.2.1 Scope and Purpose of the Interconnection Facilities Study.

Within (i) five (5) Business Days following the Results Meeting,

or (ii) within twenty-five (25) Business Days of the receipt of the final Interconnection System Impact Study report if no Interconnection System Impact Study Results Meeting is held, the Interconnection Customer shall submit to the Distribution Provider the completed form of Attachment B (“Data Form To Be Provided by the Interconnection Customer Prior to Commencement of the Interconnection Facilities Study”) to its Independent Study Process Study Agreement, a pro forma version of which is Appendix 4 to the GIP.

The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement, and construction work (including overheads) needed to implement the conclusions of the Interconnection System Impact Study technical analyses in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the Distribution System. The Interconnection Facilities Study shall also identify (i) the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Distribution Provider’s Interconnection Facilities, Distribution Upgrades, and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

5.8.2.2 Waiver of the Interconnection Facilities Study. The Interconnection Facilities Study may be waived if the Interconnection System Impact Study does not identify any Distribution Provider’s Interconnection Facilities, Distribution Upgrades, and Network Upgrades and the Distribution Provider and Interconnection Customer mutually agree to the waiver.

5.8.2.3 Timing of the Interconnection Facilities Study. The Interconnection Facilities Study will be completed within ninety (90) Calendar Days after the Interconnection Customer posts its initial Interconnection Financial Security in accordance with GIP Section 5.9.2, where Distribution Upgrades or Network Upgrades are identified. In cases where no Distribution Upgrades and/or Network Upgrades are identified and the required facilities are limited to Distribution Provider’s Interconnection Facilities only, the Interconnection Facilities Study will be completed within sixty (60) Calendar Days after the Interconnection Customer posts its initial Interconnection Financial Security.

The Distribution Provider will share the applicable study

results with the ISO for review and comment, and will incorporate comments into the study report. The Distribution Provider will issue a final Interconnection Facilities Study report to Interconnection Customer.

At the request of Interconnection Customer or at any time Distribution Provider determines that it will not meet the required time frame for completing the Interconnection Facilities Study, Distribution Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study and provide an estimated completion date. If the Distribution Provider is unable to complete the Interconnection Facilities Study, such notice shall provide an explanation of the reasons why additional time is required.

Upon request, Distribution Provider shall provide Interconnection Customer all supporting documentation, workpapers, and relevant pre-Interconnection Request and post-Interconnection Request power, short circuit and stability databases for the Interconnection Facilities Study, subject to confidentiality arrangements consistent with GIP Section 11.1.

5.8.2.4 Interconnection Facility Study Results Meeting. If requested by the Interconnection Customer, within ten (10) Business Days of the date of the issuance of the final Interconnection Facilities Study report, a Results Meeting shall be scheduled among the Distribution Provider, the ISO, if applicable, and the Interconnection Customer to discuss the results of the Interconnection Facilities Study, including assigned cost responsibility. Any such Results Meeting will be held within twenty (20) Business Days of the date the final Interconnection Facilities Study report is provided to the Interconnection Customer.

Should the Interconnection Customer provide written comments on the Interconnection Facilities Study report within ten (10) Business Days of receipt of the report, but in no case less than three (3) Business Days before the Results Meeting, whichever is sooner, then the Distribution Provider, ISO, or the Affected System Operator, as applicable, will address the written comments in the Interconnection Facilities Study Results Meeting. Should the Interconnection Customer provide comments at any later time (up to the time of the Results Meeting), then such comments shall be considered informal inquiries to which the Distribution Provider will provide informal, informational responses at the Results Meeting, to the extent possible.

The Interconnection Customer may submit, in writing, additional comments on the Interconnection Facilities Study report up to three (3) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received, the Distribution Provider (in consultation with the ISO, as applicable) will determine, in accordance with GIP Section 5.8.1.3, whether it is necessary to follow the Interconnection Facilities Study Report with a revised study report or an addendum to the report. Written comments on the Interconnection Facilities Study report provided by the Interconnection Customer in accordance with this GIP Section 5.8.2.4 will be included as an addendum to the Interconnection Facilities Study report. The Distribution Provider will issue any such revised report or addendum, if required, to the Interconnection Customer, or otherwise respond in writing to the Interconnection Customer's comments, no later than fifteen (15) Business Days following the Results Meeting.

5.8.2.5 Second and Third Postings of Interconnection Financial Security. The Interconnection Customer will post its second posting and third postings of Interconnection Financial Security as set forth in GIP Sections 5.9.3 and 5.9.4, respectively, based on the cost responsibility for Network Upgrades, Distribution Upgrades, and the Distribution Provider's Interconnection Facilities set forth in the Interconnection Facilities Study, or the Interconnection System Impact Study if the Interconnection Facilities Study is waived in accordance with GIP Section 5.8.2.2.

5.8.2.6 Deliverability Assessment. Interconnection Customers that request Full Capacity Deliverability Status or Partial Capacity Deliverability Status in their Interconnection Request will have a Deliverability Assessment performed as part of the next available Cluster Study Process. If the succeeding Deliverability Assessment identifies any Delivery Network Upgrades, including any Local Delivery Network Upgrades and Area Delivery Network Upgrades as applicable depending on the date of the Interconnection Request, that are triggered by the Interconnection Request, the Interconnection Customer will be responsible to pay its proportionate share of the costs of those Delivery Network Upgrades calculated pursuant to GIP Section 4.5.4.2. If the Generating Facility achieves its Commercial Operation Date before the Deliverability Assessment is completed and any necessary Delivery Network Upgrades are yet to be constructed, the Generating Facility will be treated as an Energy-Only Deliverability Status Generating Facility until such time as the Delivery Network Upgrades are constructed and placed into

service. If the Interconnection Customer and Distribution Provider have executed a GIA before the Deliverability Assessment is completed and any required Delivery Network Upgrades are subsequently allocated to Interconnection Customer, the GIA will be amended to include the Interconnection Customer's financial responsibility and posting of Interconnection Financial Security for the Delivery Network Upgrades.

5.8.2.7 Extensions of Commercial Operation Date. Extensions of the Commercial Operation Date for Interconnection Requests under the Independent Study Process will not be granted except in circumstances beyond the control of the Interconnection Customer.

5.8.2.8 Financing of Distribution Provider's Interconnection Facilities, Distribution Upgrades and Reliability Network Upgrades.

The responsibility to finance Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Reliability Network Upgrades identified in the Interconnection Facilities Study shall be assigned solely to the Interconnection Request, with the exception of short circuit duty-related Reliability Network Upgrades for the ISO Grid identified in the Cluster Study Process, which will be allocated pro-rata based on the short circuit duty contribution of each Generating Facility requiring the upgrades.

5.8.2.9 Cost Responsibility For Delivery Network Upgrades. The cost responsibility for Delivery Network Upgrades identified in the Deliverability Assessment as part of the Cluster Study Process (for Interconnection Requests seeking Full Capacity Deliverability Status or Partial Capacity Deliverability Status) shall be assigned to the Interconnection Customer in accordance with the Cluster Study Process.

5.9 Interconnection Financial Security

5.9.1 Types of Interconnection Financial Security. The Interconnection Financial Security posted by an Interconnection Customer may be any combination of the following types of Interconnection Financial Security provided in favor of the Distribution Provider:

- (a) an irrevocable and unconditional letter of credit issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;
- (b) an irrevocable and unconditional surety bond issued by an insurance company that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;

- (c) an unconditional and irrevocable guaranty issued by a company has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;
- (d) a cash deposit standing to the credit of the Distribution Provider and in an interest-bearing escrow account maintained at a bank or financial institution that is reasonably acceptable to the Distribution Provider;
- (e) a certificate of deposit in the name of the Distribution Provider issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's; or
- (f) a payment bond certificate in the name of the Distribution Provider issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's.

Interconnection Financial Security instruments as listed above shall be in such form as the Distribution Provider may reasonably require from time to time by notice to Interconnection Customers, or in such other form as has been evaluated and approved as reasonably acceptable by the Distribution Provider.

The Distribution Provider shall require the use of standardized forms of Interconnection Financial Security to the greatest extent possible. If at any time the guarantor of the Interconnection Financial Security fails to maintain the credit rating required by this GIP Section 5.9.1, the Interconnection Customer shall provide to the Distribution Provider replacement Interconnection Financial Security meeting the requirements of this GIP Section 5.9.1 within five (5) Business Days of the change in credit rating.

Interest on a cash deposit standing to the credit of the Distribution Provider in an interest-bearing escrow account under subpart (d) of this GIP Section 5.9.1 will accrue to the Interconnection Customer's benefit.

5.9.2 Initial Posting of Interconnection Financial Security. On or before sixty (60) Calendar Days after issuance of the final Interconnection System Impact Study report, Interconnection Customer must post, with notice to the Distribution Provider, two separate Interconnection Financial Security instruments: (i) a posting relating to the Reliability Network Upgrades; and (ii) a posting relating to the Distribution Provider's Interconnection Facilities and Distribution Upgrades. If the Distribution Provider revises a final Interconnection System Impact Study report, the initial postings set forth in this GIP Section 5.9.2 will be due from the

Interconnection Customer by the later of ninety (90) Calendar Days after issuance of the original final Interconnection System Impact Study report or thirty (30) Calendar Days after issuance of the revised final Interconnection System Impact Study report.

First, the Interconnection Customer proposing to interconnect a Large Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen (15) percent of the total cost responsibility assigned to the Interconnection Customer in the final Interconnection System Impact Study for Reliability Network Upgrades, (ii) \$20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) \$7,500,000.

The Interconnection Customer proposing to interconnect a Small Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Interconnection System Impact Study for Reliability Network Upgrades, or (ii) \$20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request.

Second, the Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of fifteen (15) percent of the total estimated cost responsibility assigned to the Interconnection Customer in the final Interconnection System Impact Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 5.9.2 shall result in the Interconnection Request being deemed withdrawn and subject to GIP Section 3.11.

The Interconnection Customer shall provide the Distribution Provider with written notice that it has posted the required Interconnection Financial Security no later than the applicable final day for posting.

5.9.3 Second Posting of Interconnection Financial Security. On or before one hundred twenty (120) Calendar Days after issuance of the final

Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), the Interconnection Customer shall post two separate Interconnection Financial Security instruments. If the Distribution Provider revises a final Interconnection Facilities Study report, the postings set forth in this GIP Section 5.9.3 will be due from the Interconnection Customer by the later of one hundred-twenty (120) Calendar Days after issuance of the original final Interconnection Facilities Study report or thirty (30) Calendar Days from the issuance of the revised final Interconnection Facilities Study Report.

First, the Interconnection Customer proposing to interconnect a Large Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Reliability Network Upgrades equals the lesser of (i) \$15 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Interconnection System Impact Study or final Interconnection Facilities Study, whichever is lower.

The Interconnection Customer proposing to interconnect a Small Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Reliability Network Upgrades equals the lesser of (i) \$1 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Interconnection System Impact Study or final Interconnection Facilities Study, whichever is lower.

Second, the Interconnection Customer shall also post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades equals thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer in the final Interconnection Facilities Study, or final Interconnection System Impact Study if the Interconnection Facilities Study is waived, for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

If the start date for Construction Activities of Network Upgrades, Distribution Provider's Interconnection Facilities and Distribution Upgrades on behalf of the Interconnection Customer is prior to one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), that start date must be set forth in the Interconnection Customer's GIA and the

Interconnection Customer shall make its second posting of Interconnection Financial Security pursuant to GIP Section 5.9.4 rather than GIP Section 5.9.3.

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 5.9.3 shall result in the Interconnection Request being deemed withdrawn and subject to GIP Section 3.11 or, if applicable, shall constitute grounds for termination of the GIA pursuant to GIA Article 2.3.

5.9.4 Third Posting of Interconnection Financial Security. On or before the start of Construction Activities for Network Upgrades or Distribution Provider's Interconnection Facilities or Distribution Upgrades on behalf of the Interconnection Customer, whichever is earlier, the Interconnection Customer shall modify the two separate Interconnection Financial Security instruments posted pursuant to GIP Section 5.9.3 as follows.

With respect to the Interconnection Financial Security instrument for Reliability Network Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades in the final Interconnection Facilities Study, or the final Interconnection System Impact Study if the Interconnection Facilities Study is waived.

With respect to the Interconnection Financial Security instrument for Distribution Provider's Interconnection Facilities and Distribution Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades in the final Interconnection Facilities Study, or the final Interconnection System Impact Study if the Interconnection Facilities Study is waived.

The Interconnection Financial Security posting requirements for Delivery Network Upgrades shall be made pursuant to GIP Section 4.8.

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 5.9.4 shall constitute grounds for termination of the GIA pursuant to GIA Article 2.3.

5.9.5 General Effect of Withdrawal of Interconnection Request or Termination of the GIA on Interconnection Financial Security.

Except as set forth in GIP Section 5.9.5.1, withdrawal of an Interconnection Request or termination of a GIA shall allow the

Distribution Provider to liquidate the Interconnection Financial Security, or balance thereof, posted by the Interconnection Customer for Network Upgrades at the time of withdrawal. To the extent the amount of the liquidated Interconnection Financial Security plus capital, if any, separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades in accordance with GIP Section 10.3 exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer by the final Interconnection Facilities Study, or the final Interconnection System Impact Study if the Interconnection Facilities Study is waived, the Distribution Provider shall remit to the Interconnection Customer the excess amount.

Withdrawal of an Interconnection Request or termination of a GIA shall result in the release to the Interconnection Customer of any Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer for the Distribution Provider's Interconnection Facilities and Distribution Upgrades and for which the Distribution Provider has not been reimbursed.

5.9.5.1 Conditions for Partial Recovery of Interconnection Financial Security Upon Withdrawal of Interconnection Request or Termination of GIA. A portion of the Interconnection Financial Security shall be released to the Interconnection Customer, consistent with GIP Section 5.9.5.2, if the withdrawal of the Interconnection Request or termination of the GIA occurs for any of the following reasons:

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

Interconnection Customers that attested on the TP Deliverability allocation affidavit under Section 8.9.2, part (2), subpart (a) of Appendix DD to the ISO Tariff are ineligible to claim this condition for partial recovery of Interconnection Financial Security.

- (b) **Failure to Secure a Necessary Permit.** At the time of withdrawal of the Interconnection Request or termination of the GIA, the Interconnection Customer demonstrates to the Distribution Provider that it has received a final denial from the primary issuing Governmental Authority of any permit or other authorization necessary for the construction or operation of the Generating Facility.
- (c) **Increase in the Cost of Distribution Provider's Interconnection Facilities or Distribution Upgrades.** The Interconnection Customer withdraws the Interconnection Request or terminates the GIA based on an increase of: (i) more than 30% or \$300,000, whichever is greater, in the estimated cost of Distribution Provider's Interconnection Facilities; or (ii) more than 30% or \$300,000, whichever is greater, in the estimated cost of Distribution Upgrades allocated to the Interconnection Customer from the Interconnection System Impact Study to the Interconnection Facilities Study. This GIP Section 5.9.5.1 (c) shall not apply if the cause of the cost increase under (i) or (ii) above is the result of a change requested by the Interconnection Customer pursuant to Section 5.8.1.6 of this GIP.
- (d) **Material Change in Interconnection Customer's Interconnection Facilities Created by the Distribution Provider's Change in the Point of Interconnection.** The Interconnection Customer withdraws the Interconnection Request or terminates the GIA based on a material change from the Interconnection System Impact Study in the Point of Interconnection for the Generating Facility mandated by the Distribution Provider and included in the final Interconnection Facilities Study. A material change in the Point of Interconnection shall be where the Point of Interconnection has moved to (i) a different substation, (ii) a different line on a different right of way, or (iii) a materially different location than previously identified on the same line.

5.9.5.2 Determining Refundable Portion of the Interconnection Financial Security for Network Upgrades.

- 5.9.5.2.1 Withdrawal Between the First Posting and the Deadline for the Second Posting.** If the Interconnection Customer either withdraws its Interconnection Request or

terminates its GIA under any of the applicable conditions (a)-(d) of GIP Section 5.9.5.1 and at any time between the initial posting and the deadline for the second posting of the Interconnection Financial Security for applicable Network Upgrades, the Distribution Provider shall liquidate the Interconnection Financial Security for the applicable Network Upgrades under GIP Section 5.9.2 and reimburse the Interconnection Customer the lesser of: (a) the Interconnection Financial Security plus any other provided security plus any separately provided capital less all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, or (b) the Interconnection Financial Security plus any other provided security plus any separately provided capital minus the lesser of (i) fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or (ii) \$10,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal.

5.9.5.2.2 Withdrawal Between the Second Posting and the Commencement of Construction Activities. If the Interconnection Customer either withdraws its Interconnection Request or terminates its GIA under any of the applicable conditions (a)-(d) of GIP Section 5.9.5.1 and at any time between the second posting of the Interconnection Financial Security for applicable Network Upgrades and the commencement of Construction Activities for such Network Upgrades, then the Distribution Provider shall liquidate the Interconnection Financial Security for the applicable Network Upgrades under GIP Section 5.9.3 and reimburse the Interconnection Customer the lesser of (a) the Interconnection Financial Security plus any other provided security plus any separately provided capital less all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, or (b) the Interconnection Financial Security plus any other provided security plus any separately provided capital minus the lesser of (i) fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or (ii) \$20,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal.

5.9.5.2.3 Special Treatment Based on Failure to Obtain Necessary Permit or Authorization from

Governmental Authority. If, at any time after the second posting requirement under GIP Section 5.9.3, the Interconnection Customer withdraws the Interconnection Request or terminates the GIA, as applicable, in accordance with GIP Section 5.9.5.1 (b), and the Delivery Network Upgrades to be financed by the Interconnection Customer are also to be financed by one or more other Interconnection Customers, then GIP Section 5.9.5.2.1 shall apply, except that the Interconnection Customer shall not be reimbursed for its share of any actual costs incurred or irrevocably committed by the Distribution Provider for Construction Activities.

5.9.5.2.4 After Commencement of Construction Activities.

Except as otherwise provided in GIP Section 5.9.5.2.3, once Construction Activities on Network Upgrades on behalf of the Interconnection Customer commence, any withdrawal of the Interconnection Request or termination of the GIA by the Interconnection Customer will be treated as follows: The Distribution Provider shall liquidate the Interconnection Financial Security, or balance thereof, posted by the Interconnection Customer for Network Upgrades at the time of withdrawal. To the extent the amount of the liquidated Interconnection Financial Security plus capital, if any, separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer, the Distribution Provider shall remit to the Interconnection Customer the excess amount. Withdrawal of an Interconnection Request or termination of a GIA shall result in the release to the Interconnection Customer of any Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer for the Distribution Provider's Interconnection Facilities or Distribution Upgrades and for which the Distribution Provider has not been reimbursed in accordance with this section.

5.9.5.2.5 Notification to ISO and Accounting by Distribution

Provider. The Distribution Provider will notify the ISO within three (3) Business Days of liquidating any Interconnection Financial Security. Within thirty (30) Calendar Days of any liquidating event, the Distribution Provider will provide the ISO and Interconnection Customer with an accounting of the disposition of the proceeds of the liquidated Interconnection Financial Security and remit to the ISO all proceeds not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer in accordance with this GIP Section 5.9.5. All non-refundable portions of the Interconnection Financial Security remitted to the ISO in accordance with this GIP Section 5.9.5 shall be treated in accordance with Section 7.6 of Appendix DD to the ISO Tariff.

5.9.6 Maximum Cost Responsibility for Interconnection Customers. The maximum value for the Interconnection Customer's Interconnection Financial Security for Reliability Network Upgrades shall be established by the lesser of the costs for Reliability Network Upgrades assigned to the Interconnection Customer in the final Interconnection System Impact Study report or final Interconnection Facilities Study report.

5.10 Generator Interconnection Agreement (GIA)

5.10.1 Tender. Within thirty (30) Calendar Days after (i) the Results Meeting for the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), or (ii) the Distribution Provider provides the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived) to the Interconnection Customer if a Results Meeting is not held, the Distribution Provider shall tender a draft GIA, together with draft appendices. The draft GIA shall be in the form of Distribution Provider's FERC-approved form GIA, which is in Appendix 6 to the GIP. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices within thirty (30) Calendar Days.

5.10.2 Negotiation. Notwithstanding GIP Section 5.10.1, at the request of Interconnection Customer Distribution Provider shall begin negotiations with Interconnection Customer concerning the appendices to the GIA at any time after the Distribution Provider provides the Interconnection Customer with the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection

Facilities Study is waived). Distribution Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than one hundred twenty (120) Calendar Days after the Distribution Provider provides the Interconnection Customer with the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived). If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft GIA pursuant to GIP Section 5.10.1 and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to GIP Section 11.2. If Interconnection Customer requests termination of the negotiations, but within one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), fails to request either the filing of the unexecuted GIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to GIP Section 11.2 within one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), it shall be deemed to have withdrawn its Interconnection Request. Distribution Provider shall provide to Interconnection Customer a final GIA within fifteen (15) Business Days after the completion of the negotiation process.

The Distribution Provider may declare an impasse upon one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), or at anytime following one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived) if the Parties have agreed to extend negotiation of the GIA. If the Distribution Provider declares an impasse, the Distribution Provider will file the GIA unexecuted with FERC within twenty one (21) Calendar Days.

Anytime after the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived) is issued, if the Interconnection Customer's In-Service Date is not achievable based on the estimated time (i) to negotiate the GIA, and (ii) to construct the longest lead Network Upgrade, Interconnection Facility, or Distribution Upgrade as set forth in the

Interconnection Study reports, the Interconnection Request shall be deemed withdrawn pursuant to GIP Section 3.11.

Execution of the GIA and the filing of the GIA at FERC are addressed in GIP Section 9.

Section 6. Fast Track Process

6.1 Eligibility and Timing For Submitting Interconnection Requests

6.1.1 Eligibility

The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Generating Facility with the Distribution Provider's Distribution System if the Generating Facility's capacity does not exceed the size limits identified in the table below in this GIP Section 6.1.1. Generating Facilities below these limits are eligible for Fast Track review. However, Fast Track eligibility is distinct from the Fast Track Process itself, and eligibility does not imply or indicate that a Generating Facility will pass the Fast Track screens in GIP Section 6.5 below or the Supplemental Review screens in GIP Section 6.11 below.

Fast Track eligibility is determined based upon the generator type, the size of the generator, voltage of the line and the location of and the type of line at the Point of Interconnection. All Generating Facilities connecting to lines greater than 69 kilovolt (kV) are ineligible for the Fast Track Process regardless of size. All synchronous and induction machines must be no larger than 2 MW to be eligible for the Fast Track Process, regardless of location. For certified inverter-based systems, the size limit varies according to the voltage of the line at the proposed Point of Interconnection. Certified inverter-based Generating Facilities located within 2.5 electrical circuit miles of a substation and on a mainline (as defined in the table below in this GIP Section 6.1.1) are eligible for the Fast Track Process under the higher thresholds according to the table below. In addition to the size threshold, the Interconnection Customer's proposed Generating Facility must meet the codes, standards, and certification requirements of GIP Appendices 8 and 9 of these procedures, or the Distribution Provider has to have reviewed the design or tested the proposed Generating Facility and is satisfied that it is safe to operate.

Line Voltage	Fast Track Eligibility Regardless of Location	Fast Track Eligibility on a Mainline ¹ and ≤ 2.5 Electrical Circuit Miles from Substation ²
< 5 kV	≤ 500 kW	≤ 500 kW
≥ 5 kV and < 15 kV	≤ 2 MW	≤ 3 MW
≥ 15 kV and < 30 kV	≤ 3 MW	≤ 4 MW
≥ 30 kV and ≤ 69 kV	≤ 4 MW	≤ 5 MW

For purposes of this table, a mainline is the three-phase backbone of a circuit. It will typically constitute lines with wire sizes of 4/0 American wire gauge, 336.4 kcmil, 397.5 kcmil, 477 kcmil and 795 kcmil.

² An Interconnection Customer can determine this information about its proposed interconnection location in advance by requesting a pre-application report pursuant to GIP Section 3.1.

6.1.2 Timing For Submitting Interconnection Requests

An Interconnection Customer may submit an Interconnection Request for processing under the Fast Track Process at any time during the year.

6.2 Interconnection Request

The Interconnection Customer shall submit its Interconnection Request to the Distribution Provider, together with a non-refundable processing fee of \$500 and a non-refundable study deposit of \$1,000. Interconnection Customers requesting interconnection under the Fast Track Process may only select Energy-Only Deliverability Status. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and time-stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by the Distribution Provider within three (3) Business Days of receiving the Interconnection Request. The Distribution Provider shall notify the Interconnection Customer within ten (10) Business Days of the receipt of the Interconnection Request as to whether the Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, the Distribution Provider shall provide along with the notice that the Interconnection Request is incomplete, a written list detailing all information that must be provided to complete the Interconnection Request. The Interconnection Customer will have ten (10) Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If the Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to the

Distribution Provider.

6.3 Site Exclusivity

Documentation of Site Exclusivity must be submitted with the Interconnection Request.

6.4 Initial Review

Within fifteen (15) Business Days after the Distribution Provider notifies the Interconnection Customer it has received a complete Interconnection Request, and qualifies for evaluation under the Fast Track Process, the Distribution Provider shall perform an initial review using the screens set forth below, shall notify the Interconnection Customer of the results, and include with the notification copies of the analysis and data underlying the Distribution Provider's determinations under the screens.

6.5 Screens

6.5.1 The proposed Generating Facility's Point of Interconnection must be on a portion of the Distribution Provider's Distribution System that is subject to the Tariff.

6.5.2 For interconnection of a proposed Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Generating Facility, on the circuit shall not exceed 15 % of the line section annual peak load as most recently measured at the substation. A line section is that portion of a Distribution Provider's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.

6.5.3 For interconnection of a proposed Generating Facility to the load side of spot network protectors, the proposed Generating Facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 5 % of a spot network's maximum load or 50 kW. For purposes of this GIP Section 6.5.3, a spot network is a type of distribution system found within modern commercial buildings to provide high reliability of service to a single customer (Standard Handbook for Electrical Engineers, 11th edition, Donald Fink, McGraw Hill Book Company).

6.5.4 The proposed Generating Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than 10 % to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.

- 6.5.5** The proposed Generating Facility, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed 87.5 % of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 % of the short circuit interrupting capability.
- 6.5.6** Using the table below, determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnecting Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on the Distribution Provider's electric power system due to a loss of ground during the operating time of any anti-islanding function.

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Result/Criteria
Three-phase, three wire	3-phase or single phase, phase-to-phase	Pass screen
Three-phase, four wire	Effectively-grounded 3 phase or Single-phase, line-to-neutral	Pass screen

- 6.5.7** If the proposed Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Generating Facility, shall not exceed 20 kW.
- 6.5.8** If the proposed Generating Facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20 % of the nameplate rating of the service transformer.
- 6.5.9** The Generating Facility, in aggregate with other generation interconnected to the transmission side of a substation transformer feeding the circuit where the Generating Facility proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (e.g., three or four

transmission busses from the Point of Interconnection).

6.5.10 No construction by the Distribution Provider of Network Upgrades on the ISO Grid or Distribution Upgrades on the Distribution System other than those upgrades solely attributable to the Generating Facility shall be required to accommodate the Generating Facility.

6.5.11 When the Generating Facility includes storage, the storage device(s) will not be charged from the Distribution System. The Generating Facility must include control limiting devices or other measures as approved by the Distribution Provider to ensure the storage device(s) will not charge from the Distribution System.

6.6 If the proposed interconnection passes the screens and does not trigger the need for the installation of new equipment or modification of existing equipment, the Interconnection Request shall be approved and the Distribution Provider will provide the Interconnection Customer a draft GIA within fifteen (15) Business Days after the determination.

If the proposed interconnection passes the screens and triggers the need for the installation of new equipment or modification of existing equipment, within fifteen (15) Business Days after the determination, the Distribution provider will provide the Interconnection Customer the scope, cost and time to complete the modifications required to interconnect the proposed Generating Facility. The Distribution Provider will provide the Interconnection Customer a draft GIA within fifteen (15) Business Days from the time the Distribution Provider provides the scope, cost and time to complete the required system modifications.

Interconnection Customer retains financial responsibility for any Interconnection Facilities, Distribution Upgrades, or Network Upgrades determined by subsequent engineering or study work, such as final engineering and design work, or other future operational or other technical study, such as to identify and determine the cost of any Distribution Provider's Interconnection Facilities required by the Generating Facility, or of short circuit duty-related Reliability Network Upgrades as assigned to the Interconnection Request during the Cluster Study Process as set forth in GIP Section 4, that are attributable to the Interconnection Request. If future engineering or other study work determines that the Interconnection Customer is financially responsible for Interconnection Facilities, Distribution Upgrades, or Network Upgrades identified in these future studies, the GIA will be amended to assign the Interconnection Customer financial responsibility for such facilities and upgrades.

6.7 If the proposed interconnection fails the screens, but the Distribution

Provider determines that the Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards, the Distribution Provider shall provide the Interconnection Customer a draft GIA within fifteen (15) Business Days after the determination.█

Interconnection Customer retains financial responsibility for any Interconnection Facilities, Distribution Upgrades, or Network Upgrades determined by subsequent engineering or study work, such as final engineering and design work, or other future operational or other technical study, such as to identify and determine the cost of any Distribution Provider's Interconnection Facilities required by the Generating Facility, or of short circuit duty-related Reliability Network Upgrades as assigned to the Interconnection Request during the Cluster Study Process as set forth in GIP Section 4, that are attributable to the Interconnection Request. If future engineering or other study work determines that the Interconnection Customer is financially responsible for Interconnection Facilities, Distribution Upgrades, or Network Upgrades identified in these future studies, the GIA will be amended to assign the Interconnection Customer financial responsibility for such facilities and upgrades.

- 6.8** If the proposed interconnection fails the screens, and the Distribution Provider does not or cannot determine from the initial review that the Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless the Interconnection Customer is willing to consider minor modifications or further study, the Distribution Provider shall provide the Interconnection Customer with the opportunity to attend a customer options meeting.
- 6.9 Customer Options Meeting**
If the Distribution Provider determines the Interconnection Request cannot be approved without (1) minor modifications at minimal cost, (2) a supplemental study or other additional studies or actions, or (3) incurring significant cost to address safety, reliability, or power quality problems, the Distribution Provider shall notify the Interconnection Customer of that determination within five (5) Business Days after the determination and provide copies of all data and analyses underlying its conclusion. Within ten (10) Business Days of the Distribution Provider's determination, the Distribution Provider shall offer to convene a customer options meeting with the Distribution Provider to review possible Interconnection Customer facility modifications or the screen analysis and related results, to determine what further steps are needed to permit the Generating Facility to be connected safely and reliably. At the time of notification of the Distribution Provider's determination, or at the customer options meeting, the Distribution Provider shall:

- 6.9.1** Offer to perform facility modifications or minor modifications to the Distribution Provider's electric system (e.g., changing meters, fuses, relay settings) and discuss the potential for, and the Interconnection Customer's willingness to consider, modifications to the Interconnection Customer's proposed facilities that may permit the Generating Facility to be interconnected consistent with safety, reliability, and power quality standards. If the Interconnection Customer and Distribution Provider agree upon such modifications to the Interconnection Customer's proposed facilities, within fifteen (15) Business Days of such agreement, the Distribution provider will provide a non-binding good faith estimate of the scope, cost and time to complete any required modifications to the Distribution Provider's electric system. If the Interconnection Customer agrees to pay for the modifications to the Distribution Provider's electric system, the Distribution Provider will provide the Interconnection Customer with a draft GIA within fifteen (15) Business Days of the time the Distribution Provider provides the scope, cost and time to complete the required system modifications; or
- 6.9.2** Offer to perform a supplemental review in accordance with GIP Section 6.10 and provide a non-binding good faith estimate of the costs of such review; or
- 6.9.3** Offer to continue to evaluate the Interconnection Request under the Independent Study Process without loss of queue position except under the conditions set forth in GIP Section 5.1.1, in which case the Interconnection Customer must submit the Interconnection Study Deposit set forth in GIP Section 5.2.1 to the Distribution Provider within fifteen (15) Business Days of the offer or the Interconnection Request shall be deemed withdrawn.

6.10 Supplemental Review

- 6.10.1** To accept the offer of a supplemental review, the Interconnection Customer shall agree in writing and submit a deposit for the estimated costs of the supplemental review in the amount of the Distribution Provider's good faith estimate of the costs of such review, both within fifteen (15) Business Days of the offer. If the written agreement and deposit have not been received by the Distribution Provider within that timeframe, the Interconnection Request shall be deemed withdrawn.
- 6.10.2** The Interconnection Customer may specify the order in which the Distribution Provider will complete the screens, and the preliminary charging analysis, if applicable, in GIP Section 6.11.

6.10.3 The Interconnection Customer shall be responsible for the Distribution Provider's actual costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within twenty (20) Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the Distribution Provider will return such excess within twenty (20) Business Days of the invoice without interest.

6.11 For Generating Facilities subject to supplemental review which pass the storage screen set forth in GIP Section 6.5.11, within thirty (30) Business Days following receipt of the deposit for a supplemental review, the Distribution Provider shall (1) perform a supplemental review using the screens set forth in GIP Sections 6.11.1, 6.11.2 and 6.11.3 below; (2) notify in writing the Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying the Distribution Provider's determinations under the screens.

For Generating Facilities subject to supplemental review which fail the storage screen set forth in GIP Section 6.5.11, and one or more of the other initial review screens set forth in GIP Section 6.5, within sixty (60) Business Days following receipt of the deposit for a supplemental review, the Distribution Provider shall (1) perform a supplemental review using the screens set forth in GIP Sections 6.11.1, 6.11.2 and 6.11.3 below, (2) perform the preliminary storage charging analysis set forth in GIP Section 6.11.4 below; (3) notify in writing the Interconnection Customer of the results; and (4) include with the notification copies of the analysis and data underlying the Distribution Provider's determinations under the screens and preliminary charging analysis.

For Generating Facilities subject to supplemental review which fail the storage screen set forth in GIP Section 6.5.11, and pass all of the other initial review screens set forth in GIP Section 6.5, within forty-five (45) Business Days following receipt of the deposit for a supplemental review, the Distribution Provider shall (1) perform the preliminary storage charging analysis set forth in GIP Section 6.11.4 below; (2) notify in writing the Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying the Distribution Provider's determinations under preliminary storage charging analysis.

Unless the Interconnection Customer provided instructions for how to respond to the failure of any of the supplemental review screens set forth in GIP Sections 6.11.1, 6.11.2 and 6.11.3 below at the time the Interconnection Customer accepted the offer of supplemental review, the Distribution Provider shall notify the Interconnection Customer following the failure of any of the screens, or if it is unable to perform the screen in GIP Section 6.11.1, within two (2) Business Days of making such

determination to obtain the Interconnection Customer's permission to: (1) continue evaluating the proposed interconnection under this GIP Section 6.11; (2) terminate the supplemental review and continue evaluating the Generating Facility under the Independent Study Process subject to the conditions set forth in GIP Section 5.1.1, provided the Interconnection Customer submits the Interconnection Study Deposit set forth in Section 5.2.1 to the Distribution Provider within fifteen (15) Business Days after the date of notification; or (3) terminate the supplemental review upon withdrawal of the Interconnection Request by the Interconnection Customer. If the Interconnection Customer does not provide its permission under any of these three options within five (5) Business Days after the Distribution Provider's request for such permission, the Interconnection Request shall be deemed withdrawn.

6.11.1 Minimum Load Screen: Where 12 months of line section minimum load data (including onsite load but not station service load served by the proposed Generating Facility) are available, can be calculated, can be estimated from existing data, or determined from a power flow model, the aggregate Generating Facility capacity on the line section is less than 100% of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed Generating Facility. If minimum load data is not available, or cannot be calculated, estimated or determined, the Distribution Provider shall include the reason(s) that it is unable to calculate, estimate or determine minimum load in its supplemental review results notification under GIP Section 6.11.

6.11.1.1 The type of generation used by the proposed Generating Facility will be taken into account when calculating, estimating, or determining circuit or line section minimum load relevant for the application of the screen described in GIP Section 6.11.1. Solar photovoltaic (PV) generation systems with no battery storage use daytime minimum load (i.e. 10 a.m. to 4 p.m. for fixed panel systems and 8 a.m. to 6 p.m. for PV systems utilizing tracking systems), while all other generation uses absolute minimum load.

6.11.1.2 When this screen is being applied to a Generating Facility that serves some station service load, only the net injection into the Distribution Provider's electric system will be considered as part of the aggregate generation._

6.11.1.3 Distribution Provider will not consider as part of the aggregate generation for purposes of this screen generating facility capacity known to be already reflected in the minimum load data._

6.11.2 Voltage and Power Quality Screen: In aggregate with existing generation on the line section: (1) the voltage regulation on the line section can be maintained in compliance with relevant requirements under all system conditions; (2) the voltage fluctuation is within acceptable limits as defined by Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or utility practice similar to IEEE Standard 1453; and (3) the harmonic levels meet IEEE Standard 519 limits.

6.11.3 Safety and Reliability Screen: The location of the proposed Generating Facility and the aggregate generation capacity on the line section do not create impacts to safety or reliability that cannot be adequately addressed without application of a study process. The Distribution Provider shall give due consideration to the following and other factors in determining potential impacts to safety and reliability in applying this screen._

6.11.3.1 Whether the line section has significant minimum loading levels dominated by a small number of customers (e.g., several large commercial customers)._

6.11.3.2 Whether the loading along the line section is uniform or even.

6.11.3.3 Whether the proposed Generating Facility is located in close proximity to the substation (i.e., less than 2.5 electrical circuit miles), and whether the line section from the substation to the Point of Interconnection is a Mainline rated for normal and emergency ampacity.

6.11.3.4 Whether the proposed Generating Facility incorporates a time delay function to prevent reconnection of the generator to the system until system voltage and frequency are within normal limits for a prescribed time.

6.11.3.5 Whether operational flexibility is reduced by the proposed Generating Facility, such that transfer of the line section(s) of the Generating Facility to a neighboring distribution circuit/substation may trigger overloads or voltage issues.

6.11.3.6 Whether the proposed Generating Facility employs equipment or systems certified by a recognized standards organization to address technical issues such as, but not limited to, islanding, reverse power flow, or voltage quality.

- 6.11.4 Preliminary Storage Charging Analysis:** For Generating Facilities with storage which fail the initial review screen set forth in GIP Section 6.5.11, the Distribution Provider will perform a non-binding preliminary analysis of the ability of the Distribution System to accommodate the requested Charging Capacity utilizing available capacity on the existing Distribution System subject to limitations and/or restrictions as may be set forth in the GIA.
- 6.11.5** If the proposed interconnection passes the supplemental screens in GIP Sections 6.11.1, 6.11.2, and 6.11.3 above, the Interconnection Request shall be approved and the Distribution Provider will provide the Interconnection Customer with an executable interconnection agreement within the timeframes established in GIP Sections 6.11.5.1 and 6.11.5.2 below. If the proposed interconnection fails any of the supplemental review screens and the Interconnection Customer does not withdraw its Interconnection Request, it shall continue to be evaluated under the Independent Study Process consistent with GIP Section 6.11.5.3 below.
- 6.11.5.1** If the proposed interconnection passes the supplemental screens in GIP Sections 6.11.1, 6.11.2 and 6.11.3 above and does not require construction of facilities by the Distribution Provider on its own system, the GIA shall be provided within fifteen (15) Business Days after the notification of the supplemental review results.
- 6.11.5.2** If interconnection facilities or minor modifications to the Distribution Provider's system are required for the proposed interconnection to pass the supplemental screens in GIP Sections 6.11.1, 6.11.2 and 6.11.3 above, and the Interconnection Customer agrees to pay for the modifications to the Distribution Provider's electric system, a non-binding good faith estimate for the interconnection facilities and/or minor modifications, shall be provided to the Interconnection Customer within fifteen (15) Business Days following such determination. The Distribution Provider will provide the Interconnection Customer a draft GIA within fifteen (15) Business Days after the Distribution Provider provides the scope, cost and time to complete the required system modifications. ■
- 6.11.5.3** If the proposed interconnection would require more than interconnection facilities or minor modifications to the Distribution Provider's system to pass the supplemental screens in GIP Sections 6.11.1, 6.11.2, and 6.11.3 above, the Distribution Provider shall notify the Interconnection

Customer, at the same time it notifies the Interconnection Customer with the supplemental review results, that the Interconnection Request shall be evaluated under the Independent Study Process subject to the conditions set forth in GIP Section 5.1.1, provided the Interconnection Customer submits the Interconnection Study Deposit set forth in Section 5.2.1 to the Distribution Provider within fifteen (15) Business Days after the date of notification, unless the Interconnection Customer withdraws its Interconnection Request.

6.11.6 Notwithstanding modifications made pursuant to the supplemental review, Interconnection Customer retains financial responsibility for any Interconnection Facilities, Distribution Upgrades, or Network Upgrades determined by subsequent engineering or study work, such as final engineering and design work, or other future operational or other technical study, such as to identify and determine the cost of any Distribution Provider's Interconnection Facilities required by the Generating Facility, or of short circuit duty-related Reliability Network Upgrades as assigned to the Interconnection Request during the Cluster Study Process as set forth in GIP Section 4, that are attributable to the Interconnection Request. If future engineering or other study work determines that the Interconnection Customer is financially responsible for Interconnection Facilities, Distribution Upgrades, or Network Upgrades identified in these future studies, the GIA will be amended to assign the Interconnection Customer financial responsibility for such facilities and upgrades.

6.12 Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Generating Facility not agreed to in writing by the Distribution Provider and the Interconnection Customer may be deemed a withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.

6.13 Generator Interconnection Agreement

6.13.1 Tender. The draft GIA shall be in the form of Distribution Provider's FERC-approved form GIA, which is in Appendix 7 to the GIP. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices within thirty (30) Calendar Days.

6.13.2 Negotiation. Distribution Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than ninety (90) Calendar Days after the Distribution Provider tenders the draft GIA to the Interconnection Customer. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft GIA pursuant to GIP Section 6.13.1 and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to GIP Section 11.2. If Interconnection Customer requests termination of the negotiations, but within ninety (90) Calendar Days after the Distribution Provider tenders the draft GIA to the Interconnection Customer, fails to request either the filing of the unexecuted GIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to GIP Section 11.2 within ninety (90) Calendar Days after the Distribution Provider tenders the draft GIA to the Interconnection Customer, it shall be deemed to have withdrawn its Interconnection Request. Distribution Provider shall provide to Interconnection Customer a final GIA within fifteen (15) Business Days after the completion of the negotiation process.

Execution of the GIA and the filing of the GIA at FERC are addressed in GIP Section 9 of the GIP.

Section 7. Under 10 kW Inverter Process

7.1 Applicability of Under 10 kW Inverter Process

The Under 10 kW Inverter Process is available to an Interconnection Customer proposing to interconnect its Generating Facility with the Distribution Provider's Distribution System if the Generating Facility is a certified inverter-based Generating Facility no larger than 10 kW. The form of Interconnection Request and the process for evaluating a request to interconnect such a Generating Facility are set forth in Appendix 10 to the GIP.

7.2 Timing For Submitting Interconnection Requests

An Interconnection Customer may submit an Interconnection Request for processing under the Under 10 kW Inverter Process at any time during the year.

Section 8. Engineering & Procurement ('E&P') Agreement

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

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

Section 9. Generator Interconnection Agreement

9.1 Execution and Filing

Interconnection Customer shall either: (i) execute two originals of the tendered GIA and return them to Distribution Provider; or (ii) request in writing that Distribution Provider file with FERC a GIA in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of the tendered GIA (if it does not conform with a FERC-approved standard form of interconnection agreement) or the request to file an unexecuted GIA, Distribution Provider shall file the GIA with FERC, together with its explanation of any matters as to which Interconnection Customer and Distribution Provider disagree and support for the costs that Distribution Provider proposes to charge to Interconnection Customer under the GIA. An unexecuted GIA should contain terms and conditions deemed appropriate by Distribution Provider for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the

agreed-upon terms of the unexecuted GIA, they may proceed pending FERC action.

9.2 Commencement of Interconnection Activities

If Interconnection Customer executes the final GIA, Distribution Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the GIA, subject to modification by FERC. Upon submission of an unexecuted GIA, Interconnection Customer and Distribution Provider shall promptly comply with the unexecuted GIA, subject to modification by FERC.

9.3 Interconnection Customer To Meet Requirements of the Distribution Provider's Interconnection Handbook

The Interconnection Customer's Interconnection Facilities shall be designed, constructed, operated and maintained in accordance with the Distribution Provider's Interconnection Handbook. In the event of a conflict between the terms of the GIP and the terms of the Distribution Provider's Interconnection Handbook, the terms in the GIP shall govern.

Section 10. Construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades and Funding of Network Upgrades

10.1 Schedule

Distribution Provider and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades.

10.2 Construction of Network Upgrades

With the exception of Local Delivery Network Upgrades and Area Delivery Network Upgrades for Option (B) Generating Facilities that were not allocated TP Deliverability, Network Upgrades will be constructed by the Distribution Provider. Interconnection Customers for Option (B) Generating Facilities that were not allocated TP Deliverability may, at their discretion, select parties other than the Distribution Provider to construct certain Local Delivery Network Upgrades and Area Delivery Network Upgrades required by their Option (B) Generating Facilities that were not allocated TP Deliverability, if such Local Delivery Network Upgrades and Area Delivery Network Upgrades are eligible for construction by parties other than the Distribution Provider pursuant to Section 24.5.2 of the ISO Tariff. Such Local Delivery Network Upgrades and Area Delivery Network Upgrades will be incorporated into the ISO Grid pursuant to the provisions for merchant transmission facilities in ISO Tariff Sections 24.4.6.1 and 36.11. Unless Interconnection Customers for Option (B)

Generating Facilities that were not allocated TP Deliverability elect construction by a party other than the Distribution Provider, the Distribution Provider will be obligated to construct the Local Delivery Network Upgrades and Area Delivery Network Upgrades. This section shall not apply to an Interconnection Customer's right to build Stand Alone Network Upgrades in accordance with the GIA.

10.3 Construction Sequencing

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

10.3.2 Construction of Network Upgrades that are or were an Obligation of an Entity other than Interconnection Customer. The Distribution Provider shall be responsible for constructing any Network Upgrades necessary to support the interconnection of the Generating Facility of an Interconnection Customer with a GIA whenever the Network Upgrades were included in the interconnection Base Case data for a Phase II Interconnection Study on the basis that they were Network Upgrades associated with Generating Facilities of Interconnection Customers that have an executed and effective GIA (or its equivalent predecessor agreement) or unexecuted GIA (or its equivalent predecessor agreement) filed with FERC, and such GIA specifies that the Distribution Provider would finance and construct the Network Upgrades, and either:

- (i) the Network Upgrades will not otherwise be completed because such GIA or equivalent predecessor agreement was subsequently terminated or the Interconnection Request has otherwise been withdrawn; or
- (ii) the Network Upgrades will not otherwise be completed in time to support the Interconnection Customer's In-Service Date because construction has not commenced in accordance with the terms of such GIA (or its equivalent predecessor agreement), and
- (iii) the Distribution Provider, in coordination the ISO, determines that the

Network Upgrades remain needed to support the interconnection of the Interconnection Customer's Generating Facility notwithstanding, as applicable, the absence or delay of the Generating Facility that is contractually, or was previously contractually, associated with the Network Upgrades

Where the Distribution Provider is constructing Area Delivery Network Upgrades for Option (B) Interconnection Customers and either (i) or (ii) above occurs, the Distribution Provider shall continue to construct such Area Delivery Network Upgrades with financing provided from the Interconnection Financial Security of those Option (B) Interconnection Customers' in the same Group Study, with any additional financing requirements to be reapportioned among those remaining Option (B) Interconnection Customers in the same Group Study who still need the Area Delivery Network Upgrades to achieve Full Capacity Deliverability Status or Partial Capacity Deliverability Status. In no case will the Distribution Provider become financially responsible for Area Delivery Network Upgrades required for Option (B) Interconnection Customers.

Further, to the extent the timing of such Network Upgrades was not accounted for in determining a reasonable Commercial Operation Date among the Distribution Provider, ISO, and the Interconnection Customer as part of the Phase II Interconnection Study, the Distribution Provider will use Reasonable Efforts to ensure that the construction of such Network Upgrades can accommodate the Interconnection Customer's proposed Commercial Operation Date. If, despite Reasonable Efforts, it is anticipated that the Network Upgrades cannot be constructed in time to accommodate the Interconnection Customer's proposed Commercial Operation Date, the Interconnection Customer may commit to pay the Distribution Provider any costs associated with expediting construction of the Network Upgrades to meet the original proposed Commercial Operation Date. The expediting costs under this GIP Section 10.3.2 shall be in addition to the Interconnection Customer's cost responsibility assigned under the applicable Interconnection Studies.

10.3.3 Advancing Construction of Distribution Upgrades and Network Upgrades that are Part of an Expansion Plan of the Distribution Provider. An Interconnection Customer with a GIA, in order to maintain its In-Service Date, may request that Distribution Provider advance to the extent necessary the completion of Distribution Upgrades and Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of Distribution Provider or approved ISO Transmission Plan covering

the Distribution Provider's service territory, in time to support such In-Service Date. Upon such request, Distribution Provider will use Reasonable Efforts to advance the construction of such Distribution Upgrades and Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Distribution Provider any associated expediting costs. Interconnection Customer shall be entitled to transmission credits, if any, in accordance with the GIA, for any expediting costs paid for Network Upgrades.

10.4 Initial Funding of Network Upgrades

10.4.1 Initial Funding of Network Upgrades for Interconnection Requests in the Cluster Study Process.

10.4.1.1 For Queue Cluster 4. For Interconnection Requests in Queue Cluster 4 processed under the Cluster Study Process, Reliability and Delivery Network Upgrades shall be funded by the Interconnection Customer(s) either by means of drawing down the Interconnection Financial Security or by the provision of additional capital, at each Interconnection Customer's election, up to a maximum amount no greater than that established by the cost responsibility assigned to each Interconnection Customer(s). The Distribution Provider shall be responsible for funding any capital costs for the Reliability and Delivery Network Upgrades that exceed the total cost responsibility for Reliability and Delivery Network Upgrades assigned to the Interconnection Customer(s). The Distribution Provider shall invoice the Interconnection Customer under Article 12.1 of the GIA up to the maximum amount no greater than that established by the cost responsibility assigned to the Interconnection Customer(s).

10.4.1.2 For Queue Cluster 5 and Subsequent Queue Clusters. For Interconnection Requests in Queue Cluster 5 and subsequent Queue Clusters processed under the Cluster Study Process, Reliability Network Upgrades and Local Delivery Network Upgrades shall be funded by the Interconnection Customer(s) either by means of drawing down the Interconnection Financial Security or by the provision of additional capital, at each Interconnection Customer's election, up to a maximum amount no greater than that established by the cost responsibility assigned to each Interconnection Customer(s). The Distribution Provider shall be responsible for funding any capital costs for

the Reliability Network Upgrades and Local Delivery Network Upgrades that exceed the total cost responsibility for Reliability Network Upgrades and Local Delivery Network Upgrades assigned to the Interconnection Customer(s). The Distribution Provider shall invoice the Interconnection Customer under Article 12.1 of the GIA up to the maximum amount no greater than that established by the cost responsibility assigned to the Interconnection Customer(s). Upon the Commercial Operation Date of the Generating Facility, the Interconnection Customer shall be entitled to a repayment, in accordance with the methodology set for in Article 11.4 of the GIA, for the Interconnection Customer's contribution to the cost of (a) Reliability Network Upgrades up to a maximum of \$60,000 per MW of generating capacity as specified in the GIA, and (b) Local Delivery Network Upgrades, except for Local Delivery Network Upgrades for Option (B) Generating Facilities that were not allocated TP Deliverability, in accordance with the Interconnection Customer's assigned cost responsibility. Option (B) Generating Facilities that were not allocated TP Deliverability will not receive repayment for Local Delivery Network Upgrades.

Where the funding responsibility for Area Delivery Network Upgrades being constructed by the Distribution Provider has been assigned to Option (B) Interconnection Customers, the Distribution Provider shall invoice the Interconnection Customer under Article 12.1 of the GIA up to the maximum amount no greater than that established by the cost responsibility assigned to the Interconnection Customer(s). Option (B) Generating Facilities that were not allocated TP Deliverability will not receive repayment for Area Delivery Network Upgrades.

10.4.2 Initial Funding of Network Upgrades for Interconnection Requests in the Independent Study Process. For Interconnection Requests processed under the Independent Study Process, unless the Distribution Provider elects to fund the full capital for identified Reliability and Delivery Network Upgrades, they shall be funded by the Interconnection Customer either by means of drawing down the Interconnection Financial Security or by the provision of additional capital, at each Interconnection Customer's election.

10.4.3 Initial Funding of Network Upgrades for Interconnection Requests in the Fast Track Process. For Interconnection

Requests processed under the Fast Track Process, unless the Distribution Provider elects to fund the full capital for identified Reliability Network Upgrades, they shall be funded by the Interconnection Customer by the provision of additional capital.

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

10.5 Special Provisions for Affected Systems

The Interconnection Customer shall enter into an agreement with the owner of the Affected System, as applicable. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System as well as the repayment by the owner of the Affected System.

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

Section 11. Miscellaneous

11.1 Confidentiality

For the purposes of this GIP Section 11.1, "Party" or "Parties" shall mean the Distribution Provider, Interconnection Customer, ISO, or any combination of the Distribution Provider, Interconnection Customer, or ISO.

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

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

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants

confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

11.1.1 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the GIA; or (6) is required, in accordance with GIP Section 11.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the GIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

11.1.2 Release of Confidential Information. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, Affected Systems, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this GIP Section 11.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this GIP Section 11.1.

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

Confidential Information from public disclosure.

11.1.4 No Warranties. By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

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

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

11.1.7 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this GIP Section 11.1. Each Party accordingly agrees that the other Party 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 GIP Section 11.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this GIP Section 11.1, 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 GIP Section 11.1.

11.1.8 Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this GIP Section 11.1 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the GIP, 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 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the GIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

11.1.9 Subject to the exception in GIP Section 11.1.8, any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this GIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other 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.

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

11.1.11 Distribution Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

11.2 Disputes

11.2.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the GIA, the GIP, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be resolved in accordance with the Dispute Resolution Procedures set forth in Section 9 of the Tariff.

11.3 Local Furnishing Bonds

11.3.1 Distribution Providers That Own Facilities Financed by Local Furnishing Bonds. This provision is applicable only to a Distribution Provider that has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this GIA and GIP, Distribution Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this GIA and GIP if the provision of such Distribution Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Distribution Provider's facilities that would be used in providing such Interconnection Service.

11.3.2 Alternative Procedures for Requesting Interconnection Service. If Distribution Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection

Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

11.4 New Distribution Provider

If Distribution Provider transfers control of its Distribution System to a successor distribution provider during the period when an Interconnection Request is pending, the original Distribution Provider shall transfer to the successor distribution provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this GIP shall be paid by or refunded to the Interconnection Customer, as appropriate. The original Distribution Provider shall coordinate with the successor distribution provider to complete any Interconnection Study, as appropriate, that the original Distribution Provider has begun but has not completed. If Distribution Provider has tendered a draft GIA to Interconnection Customer but Interconnection Customer has not either executed the GIA or requested the filing of an unexecuted GIA with FERC, unless otherwise provided, Interconnection Customer must complete negotiations with the successor distribution provider.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Appendix 1, Appendix 1 Interconnection Request for a Generating Facility, 3.0.0, A
Record Narrative Name: Appendix 1 Interconnection Request for a Generating Facility
Tariff Record ID: 99
Tariff Record Collation Value: 1332343 Tariff Record Parent Identifier: 98
Proposed Date: 2018-05-30
Priority Order: 10
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

APPENDIX 1 to GIP

**WHOLESALE DISTRIBUTION ACCESS TARIFF
INTERCONNECTION REQUEST FOR A
GENERATING FACILITY**

Provide two copies of this completed form pursuant to Section 7 of this GIP Appendix 1 below.

1. The undersigned Interconnection Customer submits this request to interconnect its Generating Facility with Distribution Provider's Distribution System pursuant to the following process under Appendix I of the Tariff (check only one):
 - Cluster Study Process
 - Independent Study Process
 - Fast Track Process
 - Other (specify) _____

2. This Interconnection Request is for (check only one):
 - A proposed new Generating Facility.
 - An increase in the generating capacity or a Material Modification of an existing Generating Facility.
 - A change to Full Capacity Deliverability Status for a Generating Facility previously studied as Energy Only Deliverability Status in accordance with Section 4.7 of the GIP (Full Capacity Deliverability Study).

3. Deliverability Study is performed by the ISO. Requested Deliverability Status is for (check only one):
 - Full Capacity Deliverability Status (this option applies to the Cluster Study Process and Independent Study Process only)
 - Partial Capacity Deliverability Status for ____ MW [specify requested MW to be evaluated for Deliverability. This MW amount should be less than the total MW of the Generating Facility) of electrical output (this option applies to the Cluster Study Process and Independent Study Process only)
 - Energy Only Deliverability Status (this option applies to the Cluster Study Process, Independent Study Process, and Fast Track Process)

4. Interconnection Customer provides the following information:
 - a. Address or location, including the county, of the proposed new Generating Facility site (to the extent known) or, in the case of an existing Generating Facility, the name and specific location, including the county, of the existing Generating Facility;

Project Name:

Project Location:
Street Address:
City, State:
County:
Zip Code:
GPS Coordinates:
Assessor's Parcel Numbers (if available):

 - b. Maximum net megawatt electrical output (as defined by section 2.C. of Attachment A to this appendix) of the proposed new Generating Facility or the amount of net megawatt increase in the generating capacity of an existing Generating Facility;

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

 - c. Type of project (i.e., gas turbine, hydro, wind, etc.) and general description of the equipment configuration (if more than one type is chosen, include net MW for

each);

- ___ Cogeneration _____ MW
- ___ Reciprocating Engine _____ MW
- ___ Biomass _____ MW
- ___ Steam Turbine _____ MW
- ___ Gas Turbine _____ MW
- ___ Wind _____ MW
- ___ Hydro _____ MW
- ___ Inverter Based: (e.g., Photovoltaic, Fuel Cell) _____ MW
- If Fuel Cell, please describe primary fuel source: _____
- ___ Storage (rated discharging power) _____ MW
- Storage type (e.g., Pump-Storage Hydro, Battery (w/type)): _____
- ___ Combined Cycle _____ MW
- ___ Other (please describe): _____ MW

d. Proposed In-Service Date, and Other Key Dates (Day/Month/Year) (Dates must be sequential)

Proposed In-Service Date: / /

Proposed Trial Operation Date: / /

Proposed Commercial Operation Date: / /

Proposed Term of Service (years): _____

e. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person (primary person who will be contacted);

Name:

Title:

Company Name:

Street Address:

City, State:

Zip Code:

Phone Number:

Fax Number:

Email Address:

Interconnection Customer's DUNS Number:

f. Point of Interconnection:

Distribution Substation (Name and voltage level): _____, or

Distribution Feeder: _____, or

Approximate location of the proposed Point of Interconnection _____

_____ (i.e., specify distribution facility interconnection point name, voltage level, and the location of

interconnection);

- g. Interconnection Customer Data (set forth in Attachment A)

The Interconnection Customer shall provide to the Distribution Provider the technical data called for in Attachment A. Two (2) copies are required.

5. Applicable Interconnection Study Deposit amount as specified in GIP Section 4.2.1 or 4.7.1, as applicable, for the Cluster Study Process or GIP Section 5.2.1 for the Independent Study Process, or \$1,500 as provided in GIP Section 6.2 for the Fast Track Process made payable to Southern California Edison Company. Send check to Distribution Provider along with:
1. A completed Interconnection Request form for processing.
 2. A completed Attachment A (Interconnection Request Generating Facility Data).
6. Evidence of Site Exclusivity as specified in GIP Sections 4.2.1, 5.2.1, or 6.3, as applicable, and name(s), address(es) and contact information of site owner(s). (check one)
- Is attached to this Interconnection Request
If Interconnection Customer requests processing under the Cluster Study Process or Independent Study Process, then deposit in lieu of Site Exclusivity attached. Site Exclusivity will be provided at a later date in accordance with this GIP.
7. This Interconnection Request shall be submitted to the Distribution Provider as indicated below:
- Southern California Edison Company
Grid Interconnection & Contract Development
P.O. Box 800
2244 Walnut Grove Avenue
Rosemead, CA 91770
- Email: grid.interconnections@sce.com
Phone: (626) 302-3688
8. Representative of Interconnection Customer to contact:

[To be completed by Interconnection Customer]
Name:
Title:
Company Name:
Street Address:
City, State:

Zip Code:
Phone Number:
Fax Number:
Email Address:

9. If the Interconnection Customer also requests Distribution Service, additional information is required in accordance with Section 15.2 of the Tariff.

10. This Interconnection Request is submitted by:

Legal name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

**Attachment A to
Interconnection Request**

**WHOLESALE DISTRIBUTION ACCESS TARIFF
GENERATING FACILITY DATA**

Provide two copies of this completed form pursuant to Section 7 of Interconnection Request.

Each Interconnection Customer will complete Sections 1 and 2 of this Attachment A. Each Interconnection Customer will complete the applicable data in Sections 3 through 6 of this Attachment A based on the type of generating facility(ies) requesting interconnection. (Section 3 for synchronous generators, Section 4 for induction generators, Section 5 for wind turbine generators, and Section 6 for inverter-based generators).

Each Interconnection Customer will complete Sections 7 through 10, as applicable.

At any time, Distribution Provider may require Interconnection Customer to provide additional technical data, or additional documentation supporting the technical data provided, as deemed necessary by the Distribution Provider to perform Interconnection Studies, other studies, or evaluations as set forth under the GIP.

- 1. Provide two original prints and one reproducible copy (no larger than 36" x 24") of the following:**
 - A. Site drawing showing generator location and Point of Interconnection with the Distribution Provider's Distribution System.
 - 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. This one-line drawing must be signed and stamped by a licensed Professional Engineer if the Generating Facility is larger than 50 kW.

- 2. Generating Facility General Information:**
 - A. Total Generating Facility rated output (MW): _____
 - A1. Maximum Generating Facility operating capacity (MW): _____
(applicable if the Generating Facility output will be limited to less than rated capacity)
 - B. Generating Facility auxiliary load (MW): _____
 - C. Net Generating Facility capacity at generator/inverter terminals (MW):
_____ (A-B) or (A1-B)
 - D. Collector system losses (MW): _____ (insert "n/a" if not applicable or negligible)
 - E. Main step-up transformer losses (MW): _____ (insert "n/a" if not applicable or negligible)
 - F. Net Generating Facility capacity at high-side of main step-up transformer (MW):
_____ (C-D-E)

- G. Gen-tie loss to Point of Interconnection (MW): _____ (insert "n/a" if not applicable or negligible)
- H. Net Generating Facility capacity at Point of Interconnection (MW):
_____ (F-G)
- H1. Maximum export capacity at Point of Interconnection (MW): _____
(applicable if the requested export capacity at the Point of Interconnection is less than the Net Generating Facility capacity at the Point of Interconnection. If so, please indicate the reason (e.g., serving host load, etc.)) _____
- I. Standby Load when Generating Facility is off-line (MW): _____
- J. Number of Generating Units: _____
(Please repeat the following items for each generator)
- K. Individual generator rated output (MW for each unit): _____
- L. Manufacturer of the Generating Units: _____
- M. Year Manufactured: _____
- N. Nominal Terminal Voltage (kV): _____
- O. Rated Power Factor (%): _____
- P. Type (induction, synchronous, D.C. with inverter): _____
- Q. Phase (3 phase or single phase): _____
- R. Connection (Delta, Grounded WYE, Ungrounded WYE, impedance grounded):

- S. Generator Voltage Regulation Range (+/- %): _____
- T. Generator Power Factor Regulation Range: _____
- U. For combined cycle plants, specify the plant net output capacity (MW) for an outage of the steam turbine or an outage of a single combustion turbine _____

3. Synchronous Generator –Information:

3A Generator Information:

(Please repeat the following for each generator)

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

shows the air gap line, the open-circuit saturation curve, and the saturation curve at full load and rated power factor.

3B Excitation System Information:

(Please repeat the following for each generator)

- A. Indicate the Manufacturer _____ and Type _____ of excitation system used for the generator. For exciter type, please choose from 1 to 9 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).
 - (9) Other (specify): _____
- B. Attach a copy of the block diagram of the excitation system from its instruction manual. The diagram should show the input, output, and all feedback loops of the excitation system.
- C. Excitation system response ratio (ASA): _____
- D. Full load rated exciter output voltage: _____
- E. Maximum exciter output voltage (ceiling voltage): _____
- F. Other comments regarding the excitation system? _____
-

3C Power System Stabilizer ("PSS") Information:

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

systems.)

A. Manufacturer: _____

B. Is the PSS digital or analog?

C. Note the input signal source for the PSS?
 _____ Bus frequency _____ Shaft speed _____
 Bus Voltage _____ Other (specify source)

D. Please attach a copy of a block diagram of the PSS from the PSS Instruction Manual and the correspondence between dial settings and the time constants or PSS gain.

E. Other comments regarding the PSS?

3D Turbine-Governor Information:

(Please repeat the following for each generator model.)

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

A. Steam, gas or combined-cycle turbines:

- (1) List type of unit (Steam, Gas, or Combined-cycle): _____
- (2) If steam or combined-cycle, does the turbine system have a reheat process (i.e., both high and low pressure turbines)? _____
- (3) If steam with reheat process, or if combined-cycle, indicate in the space provided, the percent of full load power produced by each turbine:
 Low pressure turbine or gas turbine: _____%
 High pressure turbine or steam turbine: _____%
- (4) For combined cycle plants, specify the plant net output capacity (MW) for an outage of the steam turbine or an outage of a single combustion turbine: _____

B. Hydro turbines:

- (1) Turbine efficiency at rated load: _____%
- (2) Length of penstock: _____ft
- (3) Average cross-sectional area of the penstock:
_____ft²
- (4) Typical maximum head (vertical distance from the bottom of the penstock, at the gate, to the water level): _____ft
- (5) Is the water supply run-of-the-river or reservoir: _____
- (6) Water flow rate at the typical maximum head:
_____ft³/sec
- (7) Average energy rate: _____kW-hrs/acre-ft
- (8) Estimated yearly energy production:
_____kW-hrs

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

- (1) Turbine manufacturer: _____
- (2) Maximum turbine power output:
_____MW
- (3) Minimum turbine power output (while on line):
_____MW
- (4) Governor information:
 - (a) Droop setting (speed regulation):

 - (b) Is the governor mechanical-hydraulic or electro-hydraulic (Electro-hydraulic governors have an electronic speed sensor and transducer.)? _____
 - (c) Other comments regarding the turbine governor system?

3E Short Circuit Duty Information:

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

- Xd - Direct Axis Synchronous Reactance: _____ p.u.
- X'd - Direct Axis Transient Reactance: _____ p.u.
- X''d - Direct Axis Subtransient Reactance: _____ p.u.
- X2 - Negative Sequence Reactance: _____ p.u.
- X0 - Zero Sequence Reactance: _____ p.u.

Generator Grounding (select one for each model):

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

4. Induction Generator Information:

(Please repeat the following for each generator)

- A. Motoring Power (kW): _____
- B. I_2^2t or K (Heating Time Constant): _____
- C. Rotor Resistance, Rr: _____
- D. Stator Resistance, Rs: _____
- E. Stator Reactance, Xs: _____
- F. Rotor Reactance, Xr: _____
- G. Magnetizing Reactance, Xm: _____
- H. Short Circuit Reactance, Xd'': _____
- I. Exciting Current: _____
- J. Temperature Rise: _____
- K. Frame Size: _____
- L. Design Letter: _____
- M. Reactive Power Required In Vars (No Load): _____
- N. Reactive Power Required In Vars (Full Load): _____
- O. Total Rotating Inertia, H: _____ Per Unit on kVA Base

5. Wind Turbine Generator (WTG) Information:

(Proposed projects may include one or more WTG types. Please repeat the following for each type of WTG).

- A. Number of generators to be interconnected pursuant to this Interconnection
Request: _____
- B. Average Site Elevation: _____ Single Phase _____ Three Phase _____
- C. Field Volts: _____
- D. Field Amperes: _____

- E. Motoring Power (MW): _____
- F. Neutral Grounding Resistor (If Applicable): _____
- G. I_2^2t or K (Heating Time Constant): _____
- H. Rotor Resistance: _____
- I. Stator Resistance: _____
- J. Stator Reactance: _____
- K. Rotor Reactance: _____
- L. Magnetizing Reactance: _____
- M. Short Circuit Reactance: _____
- N. Exciting Current: _____
- O. Temperature Rise: _____
- P. Frame Size: _____
- Q. Design Letter: _____
- R. Reactive Power Required In Vars (No Load): _____
- S. Reactive Power Required In Vars (Full Load): _____
- T. Total Rotating Inertia, H: _____ Per Unit on 100 MVA Base

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

Distribution Provider may require testing verification of voltage and harmonic performance during commissioning test of WTG based generation projects.

6. Inverter Based Generation Systems Information:

(Proposed inverter based generation projects may include one or more types of inverters. Please repeat the following for each type of inverter).

- A. Inverter Manufacturer and Model: _____
- B. Number of Inverters: _____
- C. Nameplate Rating (AC, each inverter): _____ / _____ kW
- D. Nameplate Voltage Rating (AC): _____ kV
- E. Maximum AC line current: _____ Amps
- F. Nameplate Power Factor Rating (AC): _____
- G. Please attach capability curve describing reactive power or power factor range from no output to full rated output
- H. Inverter control mode (e.g. voltage, power factor, reactive power): _____
- I. Short Circuit Characteristics: Applicant to provide technical data related to the short circuit characteristics of proposed inverter based generation systems. For example, the applicant can provide a sinusoidal waveform test data showing faulted condition at the AC side of the inverter for a three phase and single-line-to-ground fault.
- J. Harmonics Characteristics:
 - (1) Inverter switching frequency: _____

- (2) Harmonic characteristics for each unit up to switching frequency: _____
- (3) Harmonic characteristics for aggregate generation facility: _____
- K. Inverter disconnection characteristics: Applicant to provide voltage sinusoidal waveform test data which shows the voltage characteristics during disconnection of inverter system from distribution system at 100% and at 50% of rated output.
- L. Provide documentation demonstrating compliance with the Smart Inverter requirements specified in Section 3.13 of the GIP.

Distribution Provider may require testing verification of voltage and harmonic performance during commissioning test of the inverter based generation systems.

7. Step-Up Transformer Data:

For each step-up transformer (e.g. main step-up transformers, padmount transformers), fill out the data form provided in Table 1.

8. Interconnection Facilities Line Data:

For transmission lines that are to be planned by the generation developer, please provide the following information:

Nominal Voltage: _____ kV
 Line Length (miles): _____
 Line termination Points: _____
 Conductor Type: _____ Size: _____
 If bundled. Number per phase: _____, Bundle spacing: _____ in.
 Phase Configuration. Vertical: _____, Horizontal: _____
 Phase Spacing (ft): A-B: _____, B-C: _____, C-A: _____
 Distance of lowest conductor to Ground at full load and 40°C: _____ ft
 Ground Wire Type: _____ Size: _____ Distance to Ground: _____ ft
 Attach Tower Configuration Diagram
 Summer line ratings in amperes (normal and emergency)

 Positive Sequence Resistance (R): _____ p.u.**
 (for entire line length)
 Positive Sequence Reactance: (X): _____ p.u.**
 (for entire line length)
 Zero Sequence Resistance (R0): _____ p.u.** (for entire line length)
 Zero Sequence Reactance: (X0): _____ p.u.** (for entire line length)
 Line Charging (B/2): _____ p.u.**
 ** On 100-MVA and nominal line voltage (kV) Base

9. For Wind/Photovoltaic Plants, provide Collector System Equivalence Impedance Data (if applicable):

Provide values for each equivalence collector circuit at all voltage levels.

Nominal Voltage: _____ kV

Summer line ratings in amperes (normal and emergency):

Positive Sequence Resistance (R): _____ p.u.** (for entire line length of each collector circuit)

Positive Sequence Reactance: (X): _____ p.u.** (for entire line length of each collector circuit)

Zero Sequence Resistance (R0): _____ p.u.** (for entire line length of each collector circuit)

Zero Sequence Reactance: (X0): _____ p.u.** (for entire line length of each collector circuit)

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

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

10. Plant-Level Reactive Power Compensation Data:

Provide the following information for plant-level reactive power compensation, if applicable:

- A. Number of individual shunt capacitor banks: _____
- B. Individual shunt capacitor bank rated voltage (kV): _____
- C. Individual shunt capacitor bank size (kVAR at rated voltage): _____
- D. Planned dynamic reactive control devices (SVC, STATCOM): _____
- E. Control range: _____ kVAR (lead) _____ kVAR (lag)
- F. Control mode (e.g. voltage, power factor, reactive power): _____
- G. Please provide the overall plant reactive power control strategy

11. Storage System Information:

Description of the intended use of the storage system (e.g., export to the grid, peak shaving, load shifting, etc.): _____

Provide the following information for each type of storage device:

- A. Manufacturer and model: _____
- B. Source Functions
 - (1) Total storage capability: _____ MWh
 - (2) Rated storage discharging power: _____ MW
 - (3) Maximum storage discharging power: _____ MW

If the maximum storage discharging power is less than the rated storage discharging power, specify the device(s) used to limit the discharge (e.g., inverters, storage control, etc.): _____

- (4) Discharge duration under rated power: _____ Hours
 (5) Discharge duration under maximum power: _____ Hours

C. Charging Functions

- (1) Rated storage charging power: _____ MW
 (2) Maximum storage charging power: _____ MW

If the maximum storage charging power is less than the rated storage charging power, specify the device(s) used to limit the charging (e.g., inverters, storage control, etc.): _____

- (3) Charge duration under rated power: _____ Hours
 (4) Charge duration under maximum power: _____ Hours
 (5) Will the Distribution System be used to charge the storage device (Yes/No): _____

If No, specify the device(s) used to prevent charging from the Distribution System (e.g., inverters, storage control, etc.): _____

12. Load Flow and Dynamic Models:

The WECC Data Preparation Manual for Power Flow Base Cases and Dynamic Stability Data has established power flow and dynamic modeling requirements for generation projects in WECC base cases. In general, if the aggregate sum of generation on a bus exceeds 10 MVA, it should not be netted. Furthermore, the total netted generation in an area should not exceed five percent of the area's total generation. Based on current WECC modeling requirements, the following information will be required for all generation projects whose net capacity is greater than 10 MVA. The following information may also be required for generation projects less than 10 MVA on a case-by-case basis, based on the amount of generation in the area of the requested Point of Interconnection.

- A. Provide load flow model for the generating plant and its interconnection facilities in GE PSLF *.epc format, including new buses, generators, transformers, interconnection facilities. An equivalent model is required for the plant with generation collector systems. This data should reflect the technical data provided in this Attachment A.
- B. For each generator, governor, exciter, power system stabilizer, WTG, or inverter based generator, select the appropriate dynamic models from the General Electric PSLF Program Manual and provide the required input data. Include any user

written *.p EPCL files to simulate inverter based plants' dynamic responses (typically needed for inverter based PV/wind plants). Provide a completed *.dyd file that contains the information specified in this section.

The GE PSLF manual is available upon request from GE. There are links within the GE PSLF User's Manual to detailed descriptions of specific models, a definition of each parameter, a list of the output channels, explanatory notes, and a control system block diagram. In addition, GE PSLF modeling information and various modeling guidelines documents have been prepared by the WECC Modeling and Validation Work Group. This information is available on the WECC website (www.wecc.biz).

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

TABLE 1

TRANSFORMER DATA
 (Provide for each level of transformation)

UNIT* _____

NUMBER OF TRANSFORMERS _____ PHASE _____

RATING	H Winding	X Winding	Y Winding
Rated MVA	_____	_____	_____
Connection (Delta, Wye, Gnd.)	_____	_____	_____
Cooling Type (OA,OA/FA, etc) :	_____	_____	_____
Temperature Rise Rating	_____	_____	_____
Rated Voltage	_____	_____	_____
BIL	_____	_____	_____
Available Taps (% of rating)	_____	_____	_____
Load Tap Changer? (Y or N)	_____	_____	_____
Tap Settings	_____	_____	_____
IMPEDANCE	H-X	H-Y	X-Y
Percent	_____	_____	_____
MVA Base	_____	_____	_____
Tested Taps	_____	_____	_____
WINDING RESISTANCE	H	X	Y
Ohms	_____	_____	_____

CURRENT TRANSFORMER RATIOS

H _____ X _____ Y _____ N _____

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

Supply copy of nameplate and manufacturer's test report when available.

* For Generating Facilities with multiple step-up transformers, identify the transformer datRecord Content Description, Tariff Record Title, Record Version Number, Option Code: Appendix 3 to GIP, Appendix 3 Gen Intercon Study Proces Agmt for CSP, 4.0.0, A
Record Narative Name: Appendix 3 Generator Interconnection Study Process Agreement for the Cluster Study Process
Tariff Record ID: 101
Tariff Record Collation Value: 1332929 Tariff Record Parent Identifier: 98
Proposed Date: 2018-05-30
Priority Order: 10
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

APPENDIX 3 to GIP

**GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT
For the Cluster Study Process**

THIS GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT
("AGREEMENT") is made and entered into _____ by and
between _____, a _____
organized and existing under the laws of the State of _____,
("Interconnection Customer") and _____ a _____
existing under the laws of the State of _____, ("Distribution
Provider"). Interconnection Customer and Distribution Provider each may be referred to as a
"Party," or collectively as the "Parties."

RECITALS

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

WHEREAS, Interconnection Customer desires to interconnect the Generating Facility
with the Distribution System pursuant to the Cluster Study Process; and

WHEREAS, the Interconnection Customer has requested Distribution Provider to
perform Interconnection Studies to assess the system impact of interconnecting the Generating
Facility to the Distribution System, and any Affected Systems and to specify and estimate the
cost of the equipment, engineering, procurement and construction work needed on the
Distribution Provider’s electric system to physically and electrically connect the Generating
Facility to the Distribution Provider’s Distribution System in accordance with Good Utility
Practice;

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 Distribution Provider's FERC approved GIP.
- 2.0 Interconnection Customer elects and Distribution Provider shall cause to be performed Interconnection Studies consistent with Section 4 of the GIP.
- 3.0 The scope of the Interconnection Studies shall be subject to the assumptions set forth in Attachments A and B to this Agreement.
- 4.0 The Interconnection Studies will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting, subject to any modifications in accordance with Section 4.5.7.2 of the GIP and modifications to the proposed Commercial Operation Date of the Generating Facility permitted by the GIP. Distribution Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Studies. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the Interconnection Studies may be modified as specified in the GIP.
- 5.0 The Interconnection Study report for each Interconnection Study shall provide the information specified in the GIP.
- 6.0 Interconnection Customer shall provide Interconnection Financial Security in accordance with GIP Section 4.8.2 on or before ninety (90) Calendar Days after issuance of the final Phase I Interconnection Study report.
- 7.0 Upon completion of the Interconnection Studies, Distribution Provider shall charge and Interconnection Customer shall pay its pro rata share of the actual costs of the Interconnection Study pursuant to Section 3.3.3.4 of the GIP.
- 8.0 The Distribution Provider may provide copies of the Interconnection Studies results to the ISO, an Affected System Operator and the Western Electricity Coordinating Council. Requests for review and input from any Affected System Operators or the Western Electricity Coordinating Council may arrive at any time prior to interconnection.
- 9.0 Substantial portions of technical data and assumptions used to perform the Interconnection Studies, such as system conditions, existing and planned generation, and unit modeling, may change after the Distribution Provider provides the Interconnection Studies results to the Interconnection Customer. Interconnection Studies results will reflect available data at the time the Distribution Provider provides the Interconnection Study reports to the Interconnection Customer. The Distribution Provider shall not be responsible for any additional costs for Distribution Provider's Interconnection Facilities,

Distribution Upgrades, Reliability Network Upgrades, Area Delivery Network Upgrades and Local Delivery Network Upgrades, 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.

- 10.0 The Distribution Provider shall maintain records and accounts of all costs incurred in performing the Interconnection Studies 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 Distribution Provider's offices and at its own expense, to audit the Distribution Provider's records as necessary and as appropriate in order to verify costs incurred by the Distribution Provider. Any audit requested by the Interconnection Customer shall be completed, and written notice of any audit dispute provided to the Distribution Provider, within one hundred eighty (180) Calendar Days following receipt by the Interconnection Customer of the Distribution Provider's notification of the final costs of the Interconnection Studies.
- 11.0 In accordance with Section 3.11 of the GIP, the Interconnection Customer may withdraw its Interconnection Request at any time by written notice to the Distribution Provider. Upon receipt of such notice, this Agreement shall terminate, subject to the requirements of Sections 4.2.1 and 11.1 of the GIP.
- 12.0 This Agreement shall become effective upon the date the fully executed Agreement is received by the Distribution Provider. If the Distribution Provider does not receive the fully executed Agreement pursuant to Section 4.4 of the GIP, then the Interconnection Request will be deemed withdrawn upon the Interconnection Customer's receipt of written notice by the Distribution Provider pursuant to Section 3.11 of the GIP.
- 13.0 Miscellaneous.
- 13.1 Dispute Resolution.
 - 13.1.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement 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 the GIP.

- 13.1.2 External Arbitration Procedures. Any arbitration initiated under this Agreement 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 Section 13.1.2, the terms of this Section 13.1.2 shall prevail.
- 13.1.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, Distribution Upgrades, or Network Upgrades.
- 13.1.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

- 13.2 Confidentiality. Confidential Information shall be treated in accordance with Section 11.1 of the GIP.
- 13.3 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 13.4 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 13.5 Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any applicable laws and regulations means such applicable laws and regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Agreement or such Appendix to this Agreement, or such Section of the GIP or such Appendix to the GIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section, or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 13.6 Entire Agreement. This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.
- 13.7 No Third Party Beneficiaries. This Agreement is not intended to and does not

create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

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

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

- 13.9 Headings. The descriptive headings of the various Articles and Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 13.10 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 13.11 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by both of the Parties.
- 13.12 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this Agreement by a written instrument duly executed by both of the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all applicable laws and regulations.
- 13.13 Reservation of Rights. The Distribution Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as

provided herein.

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

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

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

[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____

By:

Printed Name: _____

Printed Name: _____

Title: _____

Title:

Date: _____

Date:

[Insert name of Interconnection Customer]

By: _____

Printed Name: _____

Title: _____

Date: _____

Attachment A
Cluster Study Process
Generator Interconnection
Study Process Agreement

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

The Phase I Interconnection Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on _____, subject to any modifications in accordance with Section 4.5.7.2 of the GIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

Deliverability status requested:

- _____ Full Capacity Deliverability Status
- _____ Partial Capacity Deliverability Status for _____ MW of Generating Facility capacity
- _____ Energy-Only Deliverability Status

NOTICE: YOUR CHOICE OF DELIVERABILITY STATUS CAN AFFECT YOUR ABILITY TO QUALIFY YOUR GENERATING FACILITY AS A RESOURCE ADEQUACY RESOURCE OR AFFECT YOUR TRANSACTIONS FOR SALE OF POWER. PLEASE GIVE CONSIDERATION TO YOUR CHOICE OF DELIVERABILITY STATUS.

**Attachment B to
Cluster Study Process
Generator Interconnection
Study Process Agreement**

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

Generating Facility size (MW): _____

Provide location plan and one-line diagram of the plant and station facilities.

One set of metering is required for each generation connection to the new bus or existing Distribution Provider station or distribution line. Number of generation connections:

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

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

Will an alternate source of auxiliary power be available during CT/PT maintenance?

_____ Yes _____ No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? _____ Yes _____ No (Please indicate on the one line diagram).

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

What protocol does the control system or PLC use?

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

Physical dimensions of the proposed interconnection station: _____

Bus length from generation to interconnection station: _____

Line length from interconnection station to Distribution Provider's transmission line.

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

Number of third party easements required for transmission lines*:

* To be completed in coordination with Distribution Provider.

Is the Generating Facility in the Distribution Provider's service area?

_____ Yes _____ No Local service provider for auxiliary and other power: _____

Please provide proposed schedule dates:

Environmental survey start: Date _____

Environmental impact report submittal: Date _____

Procurement of project equipment: Date _____

Begin Construction Date: _____

In-Service Date Date: _____

Trial Operation Date: _____

Commercial Operation Date: _____

Level of ISO Grid Deliverability: Choose one of the following:

_____ Energy-Only Deliverability Status

_____ Full Capacity Deliverability Status

_____ Partial Capacity Deliverability Status for _____ MW of Generating Facility capacity

TP Deliverability: Choose one of the following:

_____ Option (A), which means that the Generating Facility requires TP Deliverability to be able to continue to commercial operation.

_____ Option (B), which means that the Interconnection Customer will continue to commercial operation without an allocation of TP Deliverability.

Please provide any additional modification request pursuant to GIP Section 4.5.7.2.2:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Appendix 4 to GIP, Appendix 4 Independent Study Process Study Agreement, 5.0.0, A
Record Narrative Name: Appendix 4 Independent Study Process Study Agreement
Tariff Record ID: 102
Tariff Record Collation Value: 1333027 Tariff Record Parent Identifier: 98
Proposed Date: 2018-05-30
Priority Order: 20
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

APPENDIX 4 to GIP

**INDEPENDENT STUDY PROCESS STUDY AGREEMENT
For the Independent Study Process**

THIS INDEPENDENT STUDY PROCESS STUDY AGREEMENT
("AGREEMENT") is made and entered into _____ by and
between _____, a _____
organized and existing under the laws of the State of _____,
("Interconnection Customer") and _____ a _____
existing under the laws of the State of _____, ("Distribution Provider"). Interconnection
Customer and Distribution Provider each may be referred to as a "Party," or collectively as the
"Parties."

RECITALS

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

WHEREAS, Interconnection Customer desires to interconnect the Generating Facility
with the Distribution System pursuant to the Independent Study Process; and

WHEREAS, the Interconnection Customer has requested Distribution Provider to
perform Interconnection Studies to assess the system impact of interconnecting the Generating
Facility to the Distribution System, and any Affected Systems and to specify and estimate the
cost of the equipment, engineering, procurement and construction work needed on the
Distribution Provider's electric system to physically and electrically connect the Generating
Facility to the Distribution Provider's Distribution System in accordance with Good Utility

Practice;

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 Distribution Provider's FERC approved GIP.
- 2.0 Interconnection Customer elects and Distribution Provider shall cause to be performed Interconnection Studies consistent with Section 5 of the GIP.
- 3.0 The scope of the Interconnection Studies shall be subject to the assumptions set forth in Attachments A and B to this Agreement.
- 4.0 The Interconnection Studies will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting, subject to any modifications in accordance with Section 5.8.1.6 of the GIP. Distribution Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Studies. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the Interconnection Studies may be modified as specified in the GIP.
- 5.0 The Interconnection Study report for each Interconnection Study shall provide the information specified in the GIP.
- 6.0 Interconnection Customer shall provide Interconnection Financial Security in accordance with GIP Section 5.9.2 on or before sixty (60) Calendar Days after issuance of the final Interconnection System Impact Study report.
- 7.0 Upon completion of the Interconnection Studies, Distribution Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies pursuant to Section 3.3.3.4 of the GIP.
- 8.0 The Distribution Provider may provide copies of the Interconnection Studies results to the ISO, an Affected System Operator and the Western Electricity Coordinating Council. Requests for review and input from any Affected System Operators or the Western Electricity Coordinating Council may arrive at any time prior to interconnection.
- 9.0 Substantial portions of technical data and assumptions used to perform the Interconnection Studies, such as system conditions, existing and planned generation, and unit modeling, may change after the Distribution Provider provides the Interconnection Studies results to the Interconnection Customer.

Interconnection Studies results will reflect available data at the time the Distribution Provider provides the Interconnection Study reports to the Interconnection Customer. The Distribution Provider shall not be responsible for any additional costs for Distribution Provider's Interconnection Facilities, Distribution Upgrades, Reliability Network Upgrades, Area Delivery Network Upgrades and Local Delivery Network Upgrades, 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.

- 10.0 The Distribution Provider shall maintain records and accounts of all costs incurred in performing the Interconnection Studies 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 Distribution Provider's offices and at its own expense, to audit the Distribution Provider's records as necessary and as appropriate in order to verify costs incurred by the Distribution Provider. Any audit requested by the Interconnection Customer shall be completed, and written notice of any audit dispute provided to the Distribution Provider, within one hundred eighty (180) Calendar Days following receipt by the Interconnection Customer of the Distribution Provider's notification of the final costs of the Interconnection Studies.
- 11.0 In accordance with Section 3.11 of the GIP, the Interconnection Customer may withdraw its Interconnection Request at any time by written notice to the Distribution Provider. Upon receipt of such notice, this Agreement shall terminate, subject to the requirements of Section 5.2.1.1 and 11.1 of the GIP.
- 12.0 This Agreement shall become effective upon the date the fully executed Agreement is received by the Distribution Provider. If the Distribution Provider does not receive the fully executed Agreement pursuant to Section 5.7 of the GIP, then the Interconnection Request will be deemed withdrawn upon the Interconnection Customer's receipt of written notice by the Distribution Provider pursuant to Section 3.11 of the GIP.
- 13.0 Miscellaneous.
- 13.1 Dispute Resolution.
 - 13.1.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement 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 the GIP.

- 13.1.2 External Arbitration Procedures. Any arbitration initiated under this Agreement 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 Section 13.1.2, the terms of this Section 13.1.2 shall prevail.
- 13.1.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, Distribution Upgrades, or Network Upgrades.
- 13.1.4 Costs. Each Party shall be responsible for its own costs incurred during

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

- 13.2 Confidentiality. Confidential Information shall be treated in accordance with Section 11.1 of the GIP.
- 13.3 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 13.4 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 13.5 Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any applicable laws and regulations means such applicable laws and regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Agreement or such Appendix to this Agreement, or such Section of the GIP or such Appendix to the GIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article Section, or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 13.6 Entire Agreement. This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of

the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.

- 13.7 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 13.8 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Termination or default of this Agreement for any reason by the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Distribution Provider. Any waiver of this Agreement shall, if requested, be provided in writing.
- 13.9 Headings. The descriptive headings of the various Articles and Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement
- 13.10 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 13.11 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by both of the Parties.
- 13.12 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this Agreement by a written instrument duly executed by both of the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all applicable laws and regulations.
- 13.13 Reservation of Rights. The Distribution Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in

any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

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

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

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

[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____

By:

Printed Name: _____

Printed Name: _____

Title: _____

Title:

Date: _____

Date:

[Insert name of Interconnection Customer]

By: _____

Printed Name: _____

Title: _____

Date: _____

**Attachment A
Independent Study Process
Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION SYSTEM IMPACT STUDY**

The Interconnection System Impact Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on _____, subject to any modifications in accordance with Section 5.8.1.6 of the GIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

Deliverability status requested:

_____ Full Capacity Deliverability Status

_____ Partial Capacity Deliverability Status for _____ MW of Generating Facility capacity

_____ Energy-Only Deliverability Status

NOTICE: YOUR CHOICE OF DELIVERABILITY STATUS CAN AFFECT YOUR ABILITY TO QUALIFY YOUR GENERATING FACILITY AS A RESOURCE ADEQUACY RESOURCE OR AFFECT YOUR TRANSACTIONS FOR SALE OF POWER. PLEASE GIVE CONSIDERATION TO YOUR CHOICE OF DELIVERABILITY STATUS.

**Attachment B
Independent Study Process
Study Agreement**

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

Generating Facility size (MW): _____

Provide location plan and one-line diagram of the plant and station facilities.

One set of metering is required for each generation connection to the new bus or existing Distribution Provider station or distribution line. Number of generation connections:

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

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

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

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? _____ Yes _____ No (Please indicate on the one line diagram).

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

What protocol does the control system or PLC use?

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

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to Distribution Provider's transmission line.

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

Number of third party easements required for transmission lines*:

* To be completed in coordination with Distribution Provider.

Is the Generating Facility in the Distribution Provider's service area?

_____ Yes _____ No Local service provider for auxiliary and other power:

Please provide proposed schedule dates:

Environmental survey start: Date _____

Environmental impact report submittal: Date _____

Procurement of project equipment: Date _____

Begin Construction Date: _____

In-Service Date Date: _____

Trial Operation Date: _____

Commercial Operation Date: _____

Level of ISO Grid Deliverability: Choose one of the following:

_____ Energy-Only Deliverability Status

_____ Full Capacity Deliverability Status

_____ Partial Capacity Deliverability Status for _____ MW of Generating Facility capacity

TP Deliverability: Choose one of the following:

_____ Option (A), which means that the Generating Facility requires TP Deliverability to be able to continue to commercial operation.

_____ Option (B), which means that the Interconnection Customer will continue to commercial operation without an allocation of TP Deliverability.

Please provide any additional modification request pursuant to GIP Section 5.8.1.6:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Appendix 5.2 to GIP, Appendix 5.2 Generator Interconnection Agreement CSP for QC5, 6.0.0, A

Record Narrative Name: Appendix 5.2 Generator Interconnection Agreement Cluster Study for Queue Cluster 5

Tariff Record ID: 298

Tariff Record Collation Value: 1333096 Tariff Record Parent Identifier: 103

Proposed Date: 2018-05-30

Priority Order: 30

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

APPENDIX 5.2 to GIP

GENERATOR INTERCONNECTION AGREEMENT (GIA) FOR A GENERATING FACILITY INTERCONNECTING UNDER THE CLUSTER STUDY PROCESS

(Applicable for Queue Cluster 5 and Subsequent Queue Clusters)

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GENERATOR INTERCONNECTION AGREEMENT

THIS GENERATOR INTERCONNECTION AGREEMENT (“GIA” or “Agreement”) is made and entered into _____, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ (“Interconnection Customer” with a Generating Facility), and Southern California Edison Company, a corporation organized and existing under the laws of the State of California (“Distribution Provider and/or Distribution Owner”). Interconnection Customer and Distribution Provider each may be referred to as a “Party” or collectively as the “Parties.”

Recitals

WHEREAS, Distribution Provider operates the Distribution System; and

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

WHEREAS, Interconnection Customer and Distribution Provider have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the Distribution System;

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

When used in this Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Tariff.

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 Distribution Provider’s Distribution System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

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

partnership or other entity.

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

Annual Tax Security Reassessment shall mean the annual reassessment of the current tax liability in accordance with the directives of FERC Orders 2003-A and 2003-B associated with Article 5.17.4 of the GIA which will commence the first year after Interconnection Customer's in-service date.

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

Applicable Reliability Council shall mean the reliability council applicable to the Distribution System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Distribution System to which the Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.

Area Deliverability Constraint shall mean a Transmission System operating limit that either (a) would constrain the deliverability of a substantial number of generators if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to additional generating facilities in one or more specified geographic or electrical areas of the ISO Grid in a total amount that is greater than the TP Deliverability for those areas; (b) constrains a quantity of generation in a local area of the grid that is larger than the generation amount identified in the applicable transmission planning process portfolio for the entire portfolio area; or (c) constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

Area Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve an Area Deliverability Constraint.

Area Delivery Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Area Delivery Network Upgrades constructed and owned by the Distribution Provider. The Area Delivery Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

Base Case shall mean data including, but not limited to, base power flow, short circuit, and stability data bases, underlying load, generation, and transmission facility assumptions, contingency lists, including relevant special protection systems, and transmission diagrams used

to perform Phase I Interconnection and Phase II Interconnection Studies. The Base Case may include Critical Energy Infrastructure Information (as that term is defined by FERC). The Base Case shall include transmission facilities as approved by the Distribution Provider or ISO, as applicable, and Distribution Upgrades and Network Upgrades associated with generating facilities in (iv) below and generating facilities that (i) are directly interconnected to the Distribution System or ISO Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to the Distribution System or an Affected System; or (iv) are not interconnected to the Distribution System or ISO Grid, but are subject to a fully executed generator interconnection agreement (or its equivalent predecessor agreement) or for which an unexecuted generator interconnection agreement (or its equivalent predecessor agreement) has been requested to be filed with FERC.

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

Breaching Party shall mean a Party that is in Breach of the GIA.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

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

Charging Capacity shall mean the capacity provided under the GIA to meet the Charging Demand of a Generating Facility that includes storage, subject to available capacity on the Distribution System and any operating conditions and/or limitations as may be set forth in Appendix C of the GIA.

Charging Demand shall mean the flow of wholesale electric energy from the Distribution System solely to charge the storage component of the Generating Facility from the Distribution System for later redelivery of such energy, net of Generating Facility losses, to the Distribution System. Charging Demand does not include the delivery of energy for purposes that are subject to the Distribution Provider's retail tariff.

Cluster Application Window shall mean a period of time specified by the Distribution Provider in which Interconnection Requests will be accepted for processing under the Cluster Study Process as set forth in Section 4.1 of the GIP.

Cluster Study Process shall mean the interconnection study process set forth in GIP Section 4.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale or storing electricity for later resale, excluding electricity generated or stored during Trial Operation.

Commercial Operation Date of an Electric Generating Unit shall mean the date on which an Electric Generating Unit at a Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the GIA.

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.

Construction Activities shall mean actions by the Distribution Provider that result in irrevocable financial commitments for the purchase of major electrical equipment or land for Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer that occur after receipt of the appropriate governmental approvals needed for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

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.

Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities shall have the meaning assigned to it in Attachment J of the Tariff. The currently effective Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities is as provided in Attachment J of the Tariff.

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

Delivery Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, other than Reliability Network Upgrades, identified in the Interconnection Studies to relieve constraints on the ISO Grid. Delivery Network Upgrades may be further classified as Local Delivery Network Upgrades or Area Delivery Network Upgrades.

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

Distribution Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the GIA to the extent necessary.

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

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

Distribution Service shall mean the wholesale distribution service provided under the Tariff.

Distribution System shall mean those non-ISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide Distribution Service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

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

Distribution Upgrades Charge shall mean the monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Distribution Upgrades, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Distribution Upgrades Cost. The Distribution Upgrades Charge is provided in Section 5 of Appendix A to the GIA.

Distribution Upgrades Completion Date shall mean the date upon which the construction of the Distribution Upgrades is complete and such facilities are successfully tested and ready for service.

Distribution Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Upgrades. The Distribution Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

Effective Date shall mean the date on which the GIA 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 or storage device and its associated plant and apparatus whose electrical output is capable of being separately identified and metered.

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

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

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

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

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

Full Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that could be as large as its Qualifying Capacity (as defined in the ISO Tariff) and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO.

Generating Facility shall mean Interconnection Customer's Electric Generating Unit(s) used for the production and/or storage for later injection of electricity identified in the 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 Electric Generating Units.

Generator Interconnection Agreement (GIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility processed pursuant to the Cluster Study Process of the Generator Interconnection Procedures, a *pro forma* version of which is set forth in Appendix 5 to the GIP.

Generator Interconnection Procedures (GIP) shall mean the interconnection

procedures applicable to an Interconnection Request pertaining to a Generating Facility set forth in Attachment I of the Distribution Provider's Tariff.

Generator Interconnection Study Process Agreement shall mean the agreement between the Distribution Customer and the Interconnection Customer for conducting the Interconnection Studies for a proposed Generating Facility under the Cluster Study Process, a *pro forma* version of which is set forth in Appendix 3 of the GIP.

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

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

Group Study shall mean the process whereby more than one Interconnection Request are studied together, instead of individually, for the purpose of conducting one or more of the Interconnection Studies or analyses therein.

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

Initial Synchronization Date shall mean the date upon which the Generating Facility 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 Distribution Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Distribution Provider, Distribution Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect

its Generating Facility with the Distribution Provider's Distribution System.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the GIA, 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 Distribution Provider's Distribution System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Distribution Provider'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 Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Charge shall mean the monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 5 of Appendix A to the GIA.

Interconnection Facilities Completion Date shall mean the date upon which the construction of the Distribution Provider's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.

Interconnection Facilities Cost shall mean all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Provider's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 5 of Appendix A to the GIA.

Interconnection Financial Security shall have the meaning assigned to it in the GIP.

Interconnection Handbook shall mean a handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. Distribution Provider'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 GIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this GIA shall govern.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the GIP, in accordance with the Tariff, to interconnect a new Generating

Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Distribution Provider's Distribution System.

Interconnection Service shall mean the service provided by the Distribution Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Distribution Provider's Distribution System and enabling it to receive, or deliver for the Charging Demand, electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the GIA and, if applicable, the Distribution Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Phase I Interconnection Study and the Phase II Interconnection Study described in Section 4.5 and Section 4.6 of the GIP.

Interconnection Study Cycle shall mean all requirements, actions, and respective obligations of the Distribution Provider and Interconnection Customer under the GIP applicable to an Interconnection Request submitted in a particular Cluster Application Window through execution by the parties of a GIA, or submission to FERC by Distribution Provider of an unexecuted GIA pursuant to Section 9 of the GIP.

IRS shall mean the Internal Revenue Service.

ISO shall mean the California Independent System Operator Corporation, a state-chartered, nonprofit, corporation that controls certain transmission facilities of all Participating Transmission Owners and dispatches certain generating units and loads.

ISO Grid shall mean the system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the ISO's operational control.

ISO Tariff shall mean the California Independent System Operator Corporation Operating Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time, and accepted by the FERC.

ISO's Generator Interconnection Procedures (ISO Tariff GIP) shall mean the procedures included in Appendix Y of the ISO Tariff to interconnect a Generating Facility directly to the ISO Grid, as such procedures may be modified from time to time, and accepted by the Commission.

ITCC (Income Tax Component of Contribution) shall have the meaning assigned to it in Attachment J of the Tariff.

Local Deliverability Constraint shall mean a Transmission System operating limit that would be exceeded if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to one or more additional generating facilities interconnecting to the ISO Grid in a specific local area, and that is not an Area Deliverability Constraint.

Local Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve a Local Deliverability Constraint.

Local Delivery Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Local Delivery Network Upgrades constructed and owned by the Distribution Provider. The Local Delivery Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

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

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

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

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

Network Upgrades shall mean Delivery Network Upgrades and Reliability Network Upgrades.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the GIA or its performance.

Off-Peak Deliverability Assessment shall mean the technical study performed under Section 4.5.4.2.2 of the GIP.

On-Peak Deliverability Assessment shall mean the technical study performed under Section 4.5.4.2.1 of the GIP.

One-Time Cost shall mean all costs determined by the Distribution Provider to be associated with the installation of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, Reliability Network Upgrades, or Delivery Network Upgrades which are not capitalized. The One-Time Cost is provided in Section 5 of Appendix A to the GIA.

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.

Option (A) Generating Facility shall mean a Generating Facility for which the Interconnection Customer has selected Option (A) as the deliverability option under GIP Section 4.6.2.

Option (B) Generating Facility shall mean a Generating Facility for which the Interconnection Customer has selected Option (B) as the deliverability option under GIP Section 4.6.2.

Partial Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that cannot be larger than a specified amount of its Qualifying Capacity (as defined in the ISO Tariff), and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO.

Participating Transmission Owner shall mean an entity which (i) owns, operates, and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities and (ii) has transferred to the ISO operational control of such facilities and/or entitlements to be made part of the ISO Grid.

Party or Parties shall mean Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Phase I Interconnection Study shall mean an engineering study conducted by the Distribution Provider, that evaluates the impact of the proposed interconnection on the safety and reliability of the Distribution System, ISO Grid, and, if applicable, an Affected System. The portion of the study required to evaluate the impacts on the ISO Grid will be coordinated with the ISO and will be completed in a manner consistent with the ISO Tariff GIP. The study shall identify and detail the system impacts that would result if the Generating Facility(ies) were interconnected without identified project modifications or system modifications, as provided in the On-Peak Deliverability Assessment or Off-Peak Deliverability Assessment, and other potential impacts, including but not limited to those identified in the Scoping Meeting as described in the GIP. The study will also identify the approximate total costs of mitigating these impacts, along with an equitable allocation of those costs to Interconnection Customers for their individual Generating Facilities.

Phase II Interconnection Study shall mean an engineering and operational study conducted by the Distribution Provider to determine the Point of Interconnection and a list of facilities (including Distribution Provider's Interconnection Facilities, Network Upgrades, Distribution Upgrades, and Stand Alone Network Upgrades), the estimated cost of those facilities, and the estimated time required to interconnect the Generating Facility(ies) with the Distribution System. The portion of the study required to evaluate the impacts on the ISO Grid will be coordinated with the ISO and will be completed in a manner consistent with the ISO

Tariff GIP.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the GIA, where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the GIA, where the Interconnection Facilities connect to the Distribution Provider's Distribution System.

Pre-Construction Activities shall mean the actions by the Distribution Provider, other than those required by an Engineering and Procurement Agreement under Section 8 of the GIP, undertaken prior to Construction Activities in order to prepare for the construction of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer, including, but not limited to, preliminary engineering, permitting activities, environmental analysis, or other activities specifically needed to obtain governmental approvals for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

Queue Cluster shall mean a set of Interconnection Requests in an Interconnection Study Cycle processed pursuant to the Cluster Study Process.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the GIA, 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.

Reliability Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, necessary to interconnect one or more Generating Facility(ies) safely and reliably to the ISO Grid, which would not have been necessary but for the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which system operating limits cannot be adequately mitigated through the ISO's congestion management, operating procedures, or special protection systems based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with the Applicable Reliability Council's practice and Applicable Reliability Standards, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.

Reliability Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

Remedial Action Scheme (RAS) shall mean a scheme designed to detect predetermined system conditions and automatically take corrective actions that may include, but are not limited to, adjusting or tripping generation.

Results Meeting shall mean the meeting among the Distribution Provider, the Interconnection Customer, and, if applicable, the ISO and other Affected System operators to discuss the results of the Phase I Interconnection Study as set forth in Section 4.5.7 of the GIP.

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

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

Site Exclusivity Deposit shall mean the cash deposit provided to the Distribution Provider by Interconnection Customers under Section 4.2.1 of the GIP as an option in lieu of demonstrating Site Exclusivity for a valid Interconnection Request and treated in accordance with Section 4.2.1.2 of the GIP.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Distribution Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the GIA.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Distribution Provider's Distribution System, the ISO 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 Distribution Provider's Distribution System, the ISO Grid or on other delivery systems or other generating systems to which the Distribution Provider's Distribution System and Transmission System is directly connected.

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

Tax Security shall mean the Interconnection Customer's provision of security with respect to the Interconnection Customer's tax indemnification obligations, provided in accordance with Article 5.17.3. The Tax Security is provided in Section 5 of Appendix A to the GIA.

TP Deliverability shall mean the capability, measured in MW, of the ISO Grid as modified by transmission upgrades and additions modeled or identified in the annual Transmission Plan to support the interconnection with Full Capacity Deliverability Status or Partial Capacity Deliverability Status of additional Generating Facilities in a specified geographic or electrical area of the ISO Grid.

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

Transmission Plan shall mean the report prepared by the ISO on an annual basis pursuant to Section 24 of the ISO Tariff, which documents the outcome of the ISO's transmission planning process by which the ISO assesses the ISO Grid.

Transmission System shall mean those transmission facilities owned by the Distribution Provider that have been placed under the ISO's Operational Control and are part of the ISO Grid.

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

Uncontrollable Force shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force event does not include acts of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This GIA 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. Distribution Provider shall promptly file this GIA 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 GIA shall remain in effect for a period of ____ years from the Effective Date (term specified in individual agreements to be ten (10) years or such other longer period as the Interconnection

Customer may request) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

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

2.3.2 Default. Either Party may terminate this GIA in accordance with Article 17.

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

2.3.4 Notwithstanding Articles 2.3.1 and 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 GIA, which notice has been accepted for filing by FERC, and the Interconnection Customer has fulfilled its termination cost obligations under Article 2.4.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this GIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this GIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Distribution Provider's Interconnection Facilities that have not yet been constructed or installed, Distribution Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Distribution Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Distribution Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Distribution Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Distribution Provider to cancel any pending orders of or return such materials, equipment, or contracts.

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

2.4.2 Distribution Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Distribution Provider 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 GIA, 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 GIA, the Parties will take all appropriate steps to disconnect the Generating Facility from the Distribution 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 GIA or such non-terminating Party otherwise is responsible for these costs under this GIA.

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

Article 3. Regulatory Filings

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

Article 4. Scope of Service

4.1 Interconnection Service. Interconnection Service allows Interconnection Customer to

connect the Generating Facility to the Distribution System and be eligible to deliver, or receive for the Charging Demand, power from the ISO Grid using the capacity of the Distribution System. To the extent Interconnection Customer wants to receive Interconnection Service, Distribution Provider shall construct facilities identified in Appendices A and C that the Distribution Provider is responsible to construct.

- 4.1.1 Distribution Service Implications.** Interconnection Customer will be eligible to deliver power from the Generating Facility to Distribution Provider's Distribution System or receive power from the Distribution System for the Charging Demand pursuant to the Tariff. The Interconnection Customer may not deliver or receive power over the Distribution Provider's Distribution System absent procuring Distribution Service. The Interconnection Customer must apply for Distribution Service pursuant to Section 15.2 of the Tariff and meet the conditions specified in Section 14 of the Tariff to be eligible for Distribution Service.
- 4.1.2 Transmission Service Implications.** Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver or receive power to or from the Generating Facility to any particular load or resource on the ISO Grid without incurring congestion costs. In the event of transmission constraints on the ISO Grid, Interconnection Customer's Generating Facility shall be subject to the applicable congestion management procedures in the ISO Tariff in the same manner as all other resources. The Interconnection Customer shall be solely responsible for completing all of the necessary arrangements required under the ISO Tariff to be eligible to schedule the output and Charging Demand of its resource.
- 4.2 Provision of Service.** Distribution Provider shall provide Interconnection Service for the Generating Facility at the Point of Interconnection.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this GIA 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 GIA for its compliance therewith. If such Party is a Distribution Provider or Distribution Owner, then that Party shall amend the GIA and submit the amendment to FERC for approval.
- 4.4 No Distribution Service or Transmission Service.** The execution of this GIA does not constitute a request for, nor the provision of, Distribution Service under the Tariff or any transmission service under the ISO Tariff, and does not convey any right to the Interconnection Customer to deliver electricity generated or stored for later injection using the Distribution System.
- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this GIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article

9.6.3.

4.6 TP Deliverability. To the extent that an Interconnection Customer is eligible for and has been allocated TP Deliverability pursuant to Section 8.9 of Appendix DD of the ISO Tariff, the Interconnection Customer's retention of such allocated TP Deliverability shall be contingent upon satisfying the obligations set forth in Section 4.6.13 of the GIP. In the event that the Interconnection Customer does not retain allocated TP Deliverability with regard to any portion of the Generating Facility, such portion of the Generating Facility shall be deemed to receive Interconnection Service under this GIA as Energy Only Deliverability Status (as such term is defined in the ISO Tariff).

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option, Alternate Option, or, if eligible in accordance with ISO Tariff requirements, Merchant Option, set forth below for completion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades as set forth in Appendix A, Interconnection Facilities, Distribution Upgrades, and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.

5.1.1 Standard Option. Distribution Provider shall design, procure, and construct Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, using Reasonable Efforts to complete Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades by the dates set forth in Appendix B, Milestones. Distribution Provider 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 Distribution Provider reasonably expects that it will not be able to complete Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades by the specified dates, Distribution Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

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

If Distribution Provider subsequently fails to complete Distribution Provider's Interconnection Facilities and Distribution Upgrades 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 or operation in charging mode, 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; Distribution Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. If the dates designated by Interconnection Customer are not acceptable to Distribution Provider, Distribution Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Distribution Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option. This provision only applies to Generating Facilities larger than 20 MW.

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

5.1.5 Merchant Option. In addition to any Option to Build set forth in Article 5.1.3 of this GIA, an Interconnection Customer having an Option (B) Generating Facility may elect, pursuant to the ISO Tariff, to have a party other than the Distribution Provider construct some or all of the Local Delivery Network Upgrades and Area Delivery Network Upgrades for which the Interconnection Customer has the obligation to fund and which are not subject to reimbursement. Such Local Delivery Network Upgrades and Area Delivery Network Upgrades will be constructed and incorporated into the ISO Grid pursuant to the provisions

for merchant transmission facilities in ISO Tariff Sections 24.4.6.1 and 36.11.

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

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

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

(3) Distribution Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Distribution Provider a schedule for construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Distribution Provider;

(5) at any time during construction, Distribution Provider shall have the right to gain unrestricted access to Distribution Provider'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 Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Distribution Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades;

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

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

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Distribution Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Distribution Provider;

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

(11) Interconnection Customer shall deliver to Distribution Provider "as-built" drawings, information, and any other documents that are reasonably required by Distribution Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Distribution Provider.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Distribution Provider 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 Distribution Provider to Interconnection Customer in the event that Distribution Provider does not complete any portion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, in the aggregate, for which Distribution Provider 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades for which Distribution Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Distribution Provider to Interconnection Customer as just compensation for the damages caused to 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 GIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Distribution Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades to take the delivery of power for the Generating Facility's Trial Operation or to export power from the Generating Facility on the specified dates, unless Interconnection Customer would have been able to

commence use of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades to take the delivery of power for Generating Facility's Trial Operation or to export power from the Generating Facility, but for Distribution Provider's delay; (2) Distribution Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into a GIA with Distribution Provider, action or inaction by the ISO, or any cause beyond Distribution Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with Applicable Reliability Standards, the guidelines and procedures established by the Applicable Reliability Council, and in accordance with the provisions of Section 4.6.5.1 of the ISO Tariff. Distribution Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Generating Facility. If the Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Distribution Provider and Distribution Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators of the induction type.

5.5 Equipment Procurement. If responsibility for construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades is to be borne by Distribution Provider, then Distribution Provider shall commence design of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Distribution Provider has completed the Interconnection Studies pursuant to the Generator Interconnection Study Process Agreement;

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

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

5.6 Construction Commencement. Distribution Provider shall commence construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades;
- 5.6.3** Distribution Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.6.4** Interconnection Customer has provided security to Distribution Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7 Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Distribution Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Distribution Provider of such later date upon which the completion of Distribution Provider's Interconnection Facilities will be required.
- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Distribution Provider's Distribution System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9 Limited Operation.** If any of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Generating Facility, Distribution Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this GIA. Distribution Provider shall permit Interconnection Customer to operate the Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.
- 5.10 Interconnection Customer's Interconnection Facilities ('ICIF').** Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications.

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Distribution Provider 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. Distribution Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Distribution Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

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

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

5.10.4 Interconnection Customer to Meet Requirements of the Distribution Provider's Interconnection Handbook. The Interconnection Customer shall comply with the Distribution Provider's Interconnection Handbook. In the event of a conflict between the terms of this GIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this GIA shall govern.

5.11 Distribution Provider's Interconnection Facilities Construction. Distribution Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days

after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Distribution Provider shall deliver to Interconnection Customer the following “as-built” drawings, information and documents for Distribution Provider's Interconnection Facilities [include appropriate drawings and relay diagrams]:

Distribution Provider will obtain control for operating and maintenance purposes of Distribution Provider'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 Generating Facility with the Distribution System; (ii) operate and maintain the Generating Facility, the Interconnection Facilities and the Distribution System; and (iii) disconnect or remove the Access Party’s facilities and equipment upon termination of this GIA. 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 Distribution Provider or Distribution Owner's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Distribution Provider or Distribution Owner, Distribution Provider or Distribution Owner shall at 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 Distribution Provider or Distribution Owner's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades upon such property.
- 5.14 Permits.** Distribution Provider or Distribution Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Distribution Provider or Distribution Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Distribution Provider's own, or an Affiliate's generation.

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

Network Upgrades common to multiple generating facilities, and to which the Interconnection Customer's right of suspension shall not extend, consist of Network Upgrades identified for:

- i. Generating facilities which are the subject of all Interconnection Requests made prior to the Interconnection Customer's Interconnection Request; or
- ii. Generating facilities which are the subject of Interconnection Requests within the Queue Cluster where the Interconnection Customer's request for Full Capacity Deliverability Status or Partial Capacity Deliverability Status is assessed; or
- iii. Generating facilities that are the subject of Interconnection Requests that were made after the Interconnection Customer's Interconnection Request but no later than the date on which the Interconnection Customer's Phase II Interconnection Study report was issued, and have been modeled in the Base Case at the time the Interconnection Customer seeks to exercise its suspension

rights under this section.

Distribution Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Distribution Provider required under this GIA pursuant to this Article 5.16, and has not requested Distribution Provider to recommence the work or has not itself recommenced work required under this GIA on or before the expiration of three (3) years following commencement of such suspension, this GIA shall be deemed terminated and the Interconnection Customer's responsibility for costs will be determined in accordance with Article 2.4 of this GIA. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Distribution Provider, if no effective date is specified. The maximum three-year period shall apply to the projected Commercial Operation Date for the Generating Facility identified in the initial Interconnection Request, without regard to any subsequent changes to the dates set forth in the Interconnection Request, without regard to the milestone schedule dates set forth in Appendix B hereto or any changes to those dates, and without regard to any other scheduled dates for action affecting the Generating Facility, Interconnection Facilities, or Network Upgrades or any changes to those dates.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Distribution Provider for the installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an 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 2016-36, Interconnection Customer represents and covenants that (i) ownership of the electricity generated or delivered from storage at the Generating Facility will pass to another party prior to the transmission of the electricity on the Distribution System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Distribution Provider for Distribution Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Distribution Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 2016-36, is reasonably expected to carry only a de minimis amount of electricity in the direction of the 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 2016-36. 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 Distribution Provider's request, Interconnection Customer shall provide Distribution Provider with a report from an independent engineer confirming its representation in clause (iii), above. Distribution Provider represents and covenants that the cost of Distribution Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

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

Distribution Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this GIA unless (i) Distribution Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Distribution Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Distribution Provider to report payments or property transfers as income subject to taxation; provided, however, that Distribution Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Distribution Provider (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. Interconnection Customer shall reimburse Distribution Provider 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 Distribution Provider 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 (10) year testing period and the applicable statute of limitation, as it may be extended by Distribution Provider 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. 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 Interconnection Customer will pay Distribution Provider, in addition to the amount paid for the Interconnection Facilities, Distribution Upgrades, and Network Upgrades, an amount equal to (1) the current

taxes imposed on Distribution Provider (“Current Taxes”) on the excess of (a) the gross income realized by Distribution Provider as a result of payments or property transfers made by Interconnection Customer to Distribution Provider under this GIA (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 Distribution Provider 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 Distribution Provider’s composite federal and state tax rates at the time the payments or property transfers are received and Distribution Provider 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 Distribution Provider’s anticipated tax depreciation deductions as a result of such payments or property transfers by Distribution Provider’s current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer’s liability to Distribution Owner pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer’s estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer’s request and expense, Distribution Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Distribution Provider under this GIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer’s knowledge. Distribution Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

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

5.17.6 Subsequent Taxable Events. If, within ten (10) years from the date on which

the relevant Distribution Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, or (ii) a "disqualification event" occurs within the meaning of IRS Notice 2016-36, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Distribution Provider in the form of a nonrefundable cash payment, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 2016-36.

5.17.7 Contests. In the event any Governmental Authority determines that Distribution Provider's receipt of payments or property constitutes income that is subject to taxation, Distribution Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Distribution Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Distribution Provider 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. Distribution Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Distribution Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Distribution Provider on a periodic basis, as invoiced by Distribution Provider, Distribution Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Distribution Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Distribution Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully-grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Distribution Provider for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Distribution Provider which holds that any amount paid or the value of any property

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

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

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

(iii) with respect to any such taxes paid by Distribution Provider, any refund or credit Distribution Provider 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 Distribution Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Distribution Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Distribution Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Distribution Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Distribution Provider'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, Distribution Upgrades, and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense,

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

5.17.10 Distribution Owners Who Are Not Distribution Providers. If Distribution Provider is not the same entity as the Distribution Owner, then (i) all references in this Article 5.17 to Distribution Provider shall be deemed also to refer to and to include the Distribution Owner, as appropriate, and (ii) this GIA shall not become effective until such Distribution Owner shall have agreed in writing to assume all of the duties and obligations of Distribution Provider under this Article 5.17 of this GIA.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this GIA is intended to adversely affect any Distribution Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party 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 Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party 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 Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Distribution Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Distribution System, Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

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 GIA and Good Utility Practice.

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

5.19.4 Permitted Reductions in Output Capacity (MW Generating Capacity) of the Generating Facility. An Interconnection Customer may reduce the MW capacity of the Generating Facility by up to five percent (5%) for any reason during the time period between the Effective Date of this GIA and the Commercial Operation Date. The five percent (5%) value shall be established by reference to the MW generating capacity as set forth in Appendix C.

The Distribution Provider will consider an Interconnection Customer's request for a reduction in the MW generating capacity greater than five percent (5%) under limited conditions where the Interconnection Customer reasonably demonstrates to the Distribution Provider that the MW generation capacity reduction is warranted due to reasons beyond the control of the Interconnection Customer. Reasons beyond the control of the Interconnection Customer shall consist of any one or more of the following:

- (i) The Interconnection Customer's failure to secure required permits and other governmental approvals to construct the Generating Facility at its total MW generating capacity as specified in Appendix C after the Interconnection Customer has made diligent effort to secure such permits or approvals;
- (ii) The Interconnection Customer's receipt of a written statement from the

permitting or approval authority (such as a draft environmental impact report) indicating that construction of a Generating Facility of the total MW generating capacity size specified in Appendix C will likely result in disapproval due to a significant environmental or other impact that cannot be mitigated;

- (iii) Failure to obtain the legal right of use of the full site acreage necessary to construct and/or operate the total MW generating capacity size for the entire Generating Facility specified in Appendix C, after the Interconnection Customer has made a diligent attempt to secure such legal right of use. This subsection (iii) applies only where an Interconnection Customer has previously demonstrated and maintained its demonstration of Site Exclusivity prior to invoking this subsection as a reason for downsizing.

If relying on subsection (i) or (ii) above, in order to be eligible for a capacity reduction greater than five percent (5%), the Interconnection Customer must also demonstrate to the Distribution Provider that a reduction of MW generating capacity of the Generating Facility to the reduced size that the Interconnection Customer proposes will likely overcome the objection of the permitting/approving authority or otherwise cause the permitting/approving authority to grant the permit or approval. The Interconnection Customer may satisfy this demonstration requirement by submitting to the Distribution Provider either a writing from the permitting/approving authority to this effect or other evidence of a commitment by the permitting/approving authority that the MW capacity reduction will remove the objections of the authority to the permit/approval application.

If relying on subsection (iii) above, the Interconnection Customer must also reasonably demonstrate to the Distribution Provider that the proposed reduced-capacity Generating Facility can be constructed on the site over which the Interconnection Customer has been able to obtain legal rights of use.

Upon such demonstration to the reasonable satisfaction of the Distribution Provider, the Distribution Provider will permit such reduction. No permitted reduction of MW generation capacity under this Article shall operate to diminish the Interconnection Customer's cost responsibility for Network Upgrades or to diminish the Interconnection Customer's right to repayment for financing of Network Upgrades under this GIA.

5.20 Annual Reassessment Process. In accordance with Section 7.4 of Appendix DD of the ISO Tariff, the ISO will perform an annual reassessment, as part of a Queue Cluster interconnection study cycle, in which it will update certain base case data prior to beginning the Phase II Interconnection Studies. As set forth in Section 7.4 of Appendix DD of the ISO Tariff, the ISO may determine through this assessment that Delivery Network Upgrades already identified and included in executed generator interconnection

agreements should be modified in order to reflect the current circumstances of interconnection customers in the queue, including any withdrawals therefrom, and any additions and upgrades approved in the ISO's most recent transmission planning process cycle. To the extent that this determination modifies the scope or characteristics of, or the cost responsibility for, any Delivery Network Upgrades set forth in Appendix A to this GIA, such modification(s) will be reflected through an amendment to this GIA.

Article 6. Testing and Inspection

- 6.1 Pre-Commercial Operation Date Testing and Modifications.** Prior to the Commercial Operation Date, Distribution Provider shall test Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades and Interconnection Customer shall test the Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. The Interconnection Customer shall not commence initial parallel operation of an Electric Generating Unit with the Distribution Provider's Distribution System until the Distribution Provider provides prior written approval as set forth in Appendix B, Milestones, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit. Interconnection Customer shall generate or receive test energy at the Generating Facility only if it has arranged for the delivery or receipt 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 Generating Facility with the Distribution System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other 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 GIA.

Article 7. Metering

- 7.1 General.** Each Party shall comply with any Applicable Reliability Standards and the Applicable Reliability Council requirements. The Interconnection Customer shall comply with the provisions of the ISO Tariff regarding metering, including Section 10 of the ISO Tariff. Unless otherwise agreed by the Parties, Distribution Provider may install additional Metering Equipment at the Point of Interconnection prior to any operation of the Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Generating Facility shall be measured at or, at Distribution Provider's option, compensated to, the Point of Interconnection. Interconnection Customer's access to meter data shall be provided in accordance with the ISO Tariff. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check the ISO-pollled meters or Distribution Provider'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 GIA, except in the case that no other means are available on a temporary basis at the option of the Distribution Provider. The check meters shall be subject at all reasonable times to inspection and examination by Distribution Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.
- 7.3 Distribution Provider Retail Metering.** Distribution Provider may install retail revenue quality meters and associated equipment, pursuant to the Distribution Provider's applicable retail tariffs. Metering for Generating Facilities which include storage, and which utilize the Distribution System for charging the storage device pursuant to the Tariff, shall be configured to meter the retail load separately from the Charging Demand (as required in Article 7.4), and may require, but not be limited to, the installation of multiple meters and associated equipment as specified in Appendix A of the GIA.
- 7.4 Requirements for Storage.** Distribution Provider shall, at the Interconnection Customer's expense, install, own, operate, test and maintain meters and associated metering equipment required to meter the Charging Demand of Generating Facilities that include storage.

Article 8. Communications

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

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Distribution Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Distribution Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Distribution Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Distribution Provider.

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

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

Article 9. Operations

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

9.2 Control Area Notification. At least three months before Initial Synchronization Date, Interconnection Customer shall notify Distribution Provider in writing of the Control

Area in which the Generating Facility will be located. If Interconnection Customer elects to locate the Generating Facility in a Control Area other than the Control Area in which the Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this GIA, 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 Generating Facility in the other Control Area.

9.3 Distribution Provider Obligations. Distribution Provider shall cause the Distribution System and Distribution Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this GIA. Distribution Provider may provide operating instructions to Interconnection Customer consistent with this GIA and Distribution Provider's operating protocols and procedures as they may change from time to time. Distribution Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this GIA. Interconnection Customer shall operate the Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this GIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this GIA.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Generating Facility to Distribution Provider's Distribution System.

9.6 Reactive Power.

9.6.1 Power Factor Design Criteria.

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation, or equivalent

location when there is not a generator substation, at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established a different power factor range that applies to all non-synchronous generators in the Control Area on a comparable basis. This power factor range standard shall be dynamic and can be met 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet submitted the initial posting of Interconnection Financial Security as of the effective date of the Final Rule establishing this requirement (Order No. 827).

Newly interconnecting non-synchronous generators that have submitted the initial posting of Interconnection Financial Security and have not executed a GIA, or requested the filing of an unexecuted GIA, as of the effective date of the Final Rule, will be required to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, if an Interconnection Study shows that such a requirement is necessary to ensure safety or reliability.

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Generating Facility with the Distribution System, Distribution Provider shall require Interconnection Customer to operate the Generating Facility to produce or absorb reactive power within the design limitations of the Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Distribution Provider's voltage schedules shall treat all sources of reactive power interconnected with the Distribution System in an equitable and not unduly discriminatory manner and consistent with the applicable requirements of the ISO Tariff. Distribution Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Distribution System and Transmission System. Interconnection Customer shall operate the Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the Distribution Provider and the ISO.

9.6.2.1 Governors and Regulators. Whenever the Generating Facility is operated in parallel with the Distribution System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Generating Facility with its speed governors and voltage regulators in automatic operation. If the Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Distribution

Provider and the ISO, and ensure that the Electric Generating Unit operates as specified in Article 9.6.2 through manual operation and that such Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Generating Facility to disconnect automatically or instantaneously from the Distribution System or trip any generating unit comprising the 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. Payment to Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Generating Facility when the ISO requests Interconnection Customer to operate its Generating Facility outside the range specified in Article 9.6.1 will be made by the ISO in accordance with the applicable provisions of the ISO Tariff.

9.7 Outages and Interruptions.

9.7.1 Outages.

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

9.7.1.2 Outage Schedules. Interconnection Customer shall submit its planned maintenance schedules for the Generating Facility to Distribution Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Distribution Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Distribution System and Transmission System. Distribution Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection

Customer would have incurred absent Distribution Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities. Distribution Provider shall have no obligation to pay Interconnection Customer any costs the Interconnection Customer incurs as the result of being directed by the ISO to reschedule maintenance.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the 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.

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

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

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Distribution Provider shall notify Interconnection Customer in advance

regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Distribution Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Distribution Provider;

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Generating Facility, Interconnection Facilities, and the Distribution System and Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Frequency and Voltage Ride Through. The Interconnection Customer shall ensure “frequency ride through” capability and “voltage ride through” capability of the Generating Facility. The Interconnection Customer shall enable these capabilities such that the Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Distribution Provider and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to Article 6 of this GIA. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Control Area on a comparable basis.

9.7.4 System Protection and Other Control Requirements.

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

9.7.4.2 Each Party’s protection facilities shall be designed and coordinated with other systems in accordance with Applicable Reliability Standards, Applicable Reliability Council criteria, and Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party’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 Interconnection Customer's units.

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

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent 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 Distribution Provider, including, if applicable, the requirements of the Distribution Provider'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 Distribution Provider's Interconnection Handbook, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Generating Facility to any short circuit occurring on the Distribution System not otherwise isolated by Distribution Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Distribution System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Generating Facility and the Distribution System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Generating Facility and Interconnection Customer's other equipment if conditions on the Distribution System could adversely affect the Generating Facility.

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

Standard or Applicable Reliability Council standard, the alternative Applicable Reliability Standard or Applicable Reliability Council standard shall control.

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

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Generating Facility to the Distribution 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 Distribution Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Distribution Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Distribution Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Generating Facility or Distribution Provider's Distribution System and Transmission System 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.

9.11 Limitations on Charging for Storage. Generating Facilities that include storage may be subject to limits on the amount of Charging Capacity, the times during which the storage component may charge from the Distribution System, or other limitations on Charging Demand as specified in Appendix C of the GIA.

Article 10. Maintenance

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

Article 11. Performance Obligation

- 11.1 Interconnection Customer Interconnection Facilities.** Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.
- 11.2 Distribution Provider's Interconnection Facilities.** Distribution Provider or Distribution Owner shall design, procure, construct, install, own and/or control the Distribution Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer. The Interconnection Customer shall be responsible for funding all costs related to Distribution Provider's Interconnection

Facilities. The costs set forth in Appendix A are estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for the Distribution Provider's Interconnection Facilities. The Interconnection Customer shall be responsible for the actual costs related to Distribution Provider's Interconnection Facilities.

11.3 Network Upgrades and Distribution Upgrades. Distribution Provider or Distribution Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, except for any Stand Alone Network Upgrades and Merchant Network Upgrades (as such term is defined in the ISO Tariff).

11.3.1 Distribution Upgrades. The Interconnection Customer shall be responsible for funding its share of the costs related to Distribution Upgrades. The costs set forth in Appendices A and G are estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for Distribution Upgrades. The Interconnection Customer shall be responsible for the actual costs of its share of the costs related to Distribution Upgrades.

11.3.2 Reliability Network Upgrades. The Interconnection Customer shall be responsible for funding its share of the costs of the Reliability Network Upgrades up to the maximum cost responsibility limit established for the Interconnection Customer in accordance with Section 4.6 of the GIP for such facilities. The costs set forth in Appendices A and G are estimates only. The Interconnection Customer shall be responsible for its share of the actual costs of Reliability Network Upgrades up to its maximum cost responsibility limit. The Interconnection Customer may be entitled to repayment of all or a portion of the costs it funded for Reliability Network Upgrades in accordance with Article 11.4.1.

11.3.3 Local Delivery Network Upgrades. If the Interconnection Customer has an Option (A) Generating Facility, or if the Interconnection Customer has an Option (B) Generating Facility and did not select the Merchant Option for the Local Delivery Network Upgrades, then the Interconnection Customer shall be responsible for funding its share of the costs of Local Delivery Network Upgrades up to the maximum cost responsibility limit established for the Interconnection Customer in accordance with Section 4.6 of the GIP for such facilities. The costs set forth in Appendices A and G are estimates only. The Interconnection Customer shall be responsible for its share of the actual costs of Local Delivery Network Upgrades up to its maximum cost responsibility limit. The Interconnection Customer may be entitled to repayment for the costs it funded for Local Delivery Network Upgrades in accordance with Article 11.4.1.

11.3.4 Area Delivery Network Upgrades. If the Interconnection Customer has an Option (A) Generating Facility, the Interconnection Customer will not be

responsible for funding the costs of any Area Delivery Network Upgrades. If the Interconnection Customer has an Option (B) Generating Facility and did not select the Merchant Option for the Area Delivery Network Upgrades, then the Interconnection Customer shall be responsible for funding the costs of Area Delivery Network Upgrades. The costs set forth in Appendices A and G are advisory estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for Area Delivery Network Upgrades. The Interconnection Customer shall be responsible for the actual costs of Area Delivery Network Upgrades. The Interconnection Customer will not be entitled to repayment for the costs it funded for Area Delivery Network Upgrades in accordance with Article 11.4.1.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. An Interconnection Customer in Queue Cluster 8 or earlier may be entitled, in accordance with this Article 11.4.1, to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades commencing on the Commercial Operation Date of its Generating Facility.

An Interconnection Customer in Queue Cluster 9 or later may be entitled, in accordance with this Article 11.4.1, to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service on or before the Commercial Operation Date of its Generating Facility, commencing on the Commercial Operation Date of its Generating Facility. Repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service after the Commercial Operation Date of its Generating Facility shall, for each of these Network Upgrades, commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) ninety (90) Calendar Days after the Network Upgrade is placed into service.

Interconnection Customer may be entitled to a cash repayment based on the amount paid to Distribution Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, as follows:

- a) Reliability Network Upgrades.** The Interconnection Customer shall be entitled to a repayment of the amount the Interconnection Customer paid to the Distribution Provider for Reliability Network Upgrades as set forth in Appendix A and G, up to a maximum of \$60,000 per MW of Generating Facility capacity. For purposes of this determination, the Generating Facility capacity will be based on the capacity of the Interconnection Customer's Generating Facility at the time it achieves Commercial Operation. However, to the extent that such repayment does not cover all of the costs of

Interconnection Customer's Reliability Network Upgrades, the Interconnection Customer may receive Congestion Revenue Rights (as such term is defined in the ISO Tariff) from the ISO in accordance with the ISO Tariff for that portion of its Reliability Network Upgrades that are not covered by cash repayment.

b) Local Delivery Network Upgrades.

- i. If the Interconnection Customer has an Option (A) Generating Facility, the Interconnection Customer shall be entitled to a repayment equal to the total amount the Interconnection Customer paid to the Distribution Provider for the costs of Local Delivery Network Upgrades.
- ii. If the Interconnection Customer has an Option (B) Generating Facility and has been allocated TP Deliverability and continues to be eligible to retain such TP Deliverability pursuant to Appendix DD of the ISO Tariff, the Interconnection Customer shall be entitled to repayment of a portion of the total amount paid to the Distribution Provider for the costs of Local Delivery Network Upgrades. The repayment amount shall be determined by dividing the amount of TP Deliverability received by the amount of TP Deliverability requested by the Interconnection Customer, and multiplying that percentage by the total amount paid to the Distribution Provider by the Interconnection Customer for Local Delivery Network Upgrades. However, the Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for that portion of its Local Delivery Network Upgrades that are not covered by cash repayment.
- iii. If the Interconnection Customer has an Option (B) Generating Facility and has not been allocated any TP Deliverability pursuant to Appendix DD of the ISO Tariff, the Interconnection Customer shall not be entitled to repayment of the amount paid to the Distribution Provider for the costs of Local Delivery Network Upgrades. However, the Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for the costs of Local Delivery Network Upgrades that are not covered by cash repayment.

- c) Area Delivery Network Upgrades.** The Interconnection Customer shall not be entitled to repayment of the amount paid to the Distribution Provider for the costs of Area Delivery Network Upgrades. However, the Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for the costs of Area Delivery Network Upgrades that are not covered by cash repayment.

Any repayment for Reliability Network Upgrades and Local Delivery Network Upgrades, as specified above, will be paid to the Interconnection Customer by the Distribution Provider on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Distribution Provider's Tariff and Affected System's Tariff for transmission services with respect to the Generating Facility. 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 pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Distribution Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Distribution Provider and Affected System Operator take one of the following actions no later than five years from the applicable date as provided for in this Article 11.4.1: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Distribution Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the applicable commencement date.

If the Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Distribution Provider and Affected System Operator 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. Unless Distribution Provider provides, under the GIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this GIA, 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 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 Generating Facility.

- 11.5 Provision of Interconnection Financial Security.** The Interconnection Customer is obligated to provide all necessary Interconnection Financial Security required under Section 4.8 of the GIP in a manner acceptable under Section 4.8 of the GIP.

Article 12. Invoice

- 12.1 General.** Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due 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 GIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.
- 12.2 Final Invoice.** Within twelve (12) months after completion of the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades, Distribution Provider shall provide an invoice of the final cost of the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Distribution Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.
- 12.3 Payment.** Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this GIA.
- 12.4 Disputes.** In the event of a billing dispute between Distribution Provider and Interconnection Customer, Distribution Provider shall continue to provide Interconnection Service under this GIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Distribution Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Distribution Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other

Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

- 13.1 Definition.** "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Distribution System, Distribution Provider's Interconnection Facilities or the Transmission Systems of others to which the Distribution System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the 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 GIA to possess black start capability.
- 13.2 Obligations.** Each Party shall comply with the Emergency Condition procedures of the ISO, NERC, the Applicable Reliability Council, Applicable Reliability Standards, Applicable Laws and Regulations, and any emergency procedures set forth in this GIA.
- 13.3 Notice.** Distribution Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Distribution Provider's Interconnection Facilities, Distribution System or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Distribution Provider promptly when it becomes aware of an Emergency Condition that affects the Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Distribution System, Transmission System or Distribution Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Distribution Provider'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.
- 13.4 Immediate Action.** Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Distribution Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Distribution Provider or otherwise regarding the Distribution System.
- 13.5 Distribution Provider Authority.**

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

Distribution Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Generating Facility or Interconnection Customer's Interconnection Facilities. Distribution Provider may, on the basis of technical considerations, require the Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Distribution Provider's operating instructions concerning Generating Facility real power and reactive power output within the manufacturer's design limitations of the 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. Distribution Provider may reduce Interconnection Service or disconnect the Generating Facility or 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 Distribution Provider can schedule the reduction or disconnection in advance, Distribution Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Distribution Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Distribution Provider. 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 Generating Facility, the Interconnection Facilities, and the Distribution System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice and the GIA and the GIP, Interconnection Customer may take actions or inactions with regard to the Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the

reliability of the Generating Facility or 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 Distribution System and Distribution Provider's Interconnection Facilities. Distribution Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

- 13.7 Limited Liability.** Neither Party shall be liable to the other 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 GIA 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 GIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, 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 GIA 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 GIA 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 GIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this GIA by giving five (5) Business Days written notice prior to the effective date of the change.

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

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

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party 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. Uncontrollable Force

16.1 Uncontrollable Force.

16.1.1 Economic hardship is not considered an Uncontrollable Force event.

16.1.2 Neither 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 Uncontrollable Force. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of an Uncontrollable Force shall give notice and the full particulars of such Uncontrollable Force 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 Uncontrollable Force, the time and date when the Uncontrollable Force occurred and when the Uncontrollable Force 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 an Uncontrollable Force as defined in this GIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party 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 non-breaching Party shall have the right to declare a Default and terminate this GIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this GIA, 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 GIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this GIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person 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 Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

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

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

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

- 18.2 Consequential Damages.** Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this GIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.
- 18.3 Insurance.** As indicated below, the designated Party shall, at its own expense, maintain in force throughout the period of this GIA, and until released by the other Party, 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:

18.3.1 Workers' Compensation Insurance and Employers' Liability. The Distribution Provider and the Interconnection Customer shall maintain such coverage from the commencement of any Construction Activities providing

statutory benefits for workers compensation coverage and coverage amounts of no less than one million dollars (\$1,000,000) for employer's liability for each employee for bodily injury by accident and one million dollars (\$1,000,000) for each employee for bodily injury by disease in accordance with the laws and regulations of the state in which the Point of Interconnection is located. The Distribution Provider shall provide the Interconnection Customer with evidence of such insurance coverage within thirty (30) Calendar Days of any request by the Interconnection Customer. The Interconnection Customer and contractor or any other person acting on Interconnection Customer's behalf shall provide evidence of such insurance thirty (30) Calendar Days prior to entry by any employee or contractor or other person acting on the Interconnection Customer's behalf onto any construction site to perform any work related to the Interconnection Facilities or Generating Facility.

18.3.2 Commercial General Liability Insurance. The Distribution Provider and the Interconnection Customer shall maintain commercial general liability insurance coverage commencing within thirty (30) Calendar Days of the Effective Date of this GIA, including coverage for premises and operations, bodily injury (including death), personal injury, property damage, products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, and (i) liability of Distribution Provider and the Interconnection Customer that would be imposed without the GIA, or (ii) liability assumed by the Distribution Provider and the Interconnection Customer in a contract or agreement that is an "insured contract" under commercial general liability insurance policy. Such insurance shall include no cross liability exclusions or separation of insured clause endorsement exclusions, with minimum limits of one million dollars (\$1,000,000) per occurrence/one million dollars (\$1,000,000) aggregate. If the activities of the Interconnection Customer are being conducted through the actions of an Affiliate, then the Interconnection Customer may satisfy the insurance requirements of this Article 18.3.2 by providing evidence of insurance coverage carried by such Affiliate and showing the Distribution Provider as an additional insured only with respect to the GIA, together with the Interconnection Customer's written representation to the Distribution Provider that the insured Affiliate is conducting all of the necessary pre-construction work. Within thirty (30) Calendar Days prior to the entry of any person on behalf of the Interconnection Customer onto any construction site to perform work related to the Interconnection Facilities or Generating Facility, the Interconnection Customer shall replace any evidence of Affiliate insurance with evidence of such insurance carried by the Interconnection Customer, naming the Distribution Provider as additional insured only with respect to the GIA.

18.3.3 Business Automobile Liability Insurance. Prior to the entry of any vehicles on any construction site in connection with work done by or on behalf of the Interconnection Customer, the Interconnection Customer shall provide evidence of 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. The Interconnection Customer shall include the Distribution Provider as an additional insured with respect to the GIA on any such policies.

- 18.3.4 Excess Liability Insurance.** Commencing at the time of entry of any person on its behalf upon any construction site for the Distribution Upgrades, Interconnection Facilities, or Generating Facility, the Distribution Provider and the Interconnection Customer shall maintain excess liability insurance over and above the Employers' Liability, Commercial General Liability, and Business Automobile Liability Insurance coverage, with a minimum limit of one million dollars per MW, of Generating Facility capacity, rounded up to the nearest MW, per occurrence, up to a maximum of twenty million dollars (\$20,000,000) per occurrence/twenty million dollars (\$20,000,000) aggregate. Such insurance carried by the Distribution Provider shall include the Interconnection Customer as an additional insured with respect to the GIA, and such insurance carried by the Interconnection Customer shall include the Distribution Provider as an additional insured with respect to the GIA. The requirements of Article 18.3.2 and 18.3.4 may be met by any combination of general and excess liability insurance.
- 18.3.5** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies shall include the other Party identified in the articles above, its parent, their subsidiaries, 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 GIA against the Other Party Group. If any Party can reasonably demonstrate that coverage policies containing provisions for insurer waiver of subrogation rights, or advance notice are not commercially available, then the Parties shall meet and confer and mutually determine to (i) establish replacement or equivalent terms in lieu of subrogation or notice or (ii) waive the requirements that coverage(s) include such subrogation provision or require advance written notice from such insurers.
- 18.3.6** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies shall contain provisions that specify that the policies are primary and non-contributory. Each Party shall be responsible for its respective deductibles or self-insured retentions.
- 18.3.7** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess 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 GIA, which coverage may be in the form of extended reporting period coverage if agreed by the Parties.
- 18.3.8** [Not Used.]

18.3.9 Thirty (30) Calendar Days prior to the start of any work at the construction site related to Interconnection Facilities or Generating Facility under this GIA, 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 a certificate of insurance for all insurance required in this GIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure (a) to meet the minimum insurance requirements of Article 18.3.1, to the extent that it maintains a self-insurance program and is a qualified self-insurer within the state in which the Point of Interconnection is located, under the laws and regulations of such state; and (b) to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.9 to the extent it maintains a self-insurance program; provided that, such Party is organized under the laws of the United States or a political subdivision thereof and such Party's rating for its senior unsecured, long-term debt (not supported by third party credit enhancements) or if such Party does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such Party by Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor ("S&P") or Moody's Investor Services, Inc. or its successor ("Moody's") is (i) if rated by S&P and Moody's is rated at least "BBB-" by S&P and "Baa3" by Moody's, or (ii) if rated by only one of S&P or Moody's, rated at least "BBB-" by S&P or "Baa3" by Moody's, and (iii) that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.9. For any period of time that a Party's senior unsecured, long-term debt is unrated by S&P or Moody's, or its unsecured long-term debt or the rating assigned to such Party does not meet the requirements in (i) or (ii), 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 Party 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 greater than \$25,000, including within the scope of coverage of such insurance whether or not such coverage is sought.

Article 19. Assignment

19.1 Assignment. This GIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this GIA 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 GIA; and provided further that Interconnection Customer shall have the right

to assign this GIA, without the consent of Distribution Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Interconnection Customer will promptly notify Distribution Provider of any such assignment. Any financing arrangement entered into by 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 Distribution Provider of the date and particulars of any such exercise of assignment right(s), including providing the Distribution Provider 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 GIA 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 GIA 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 GIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Distribution Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

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

Article 22. Confidentiality

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

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

If requested by either Party, the other Party 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 GIA, and for a period of three (3) years after the expiration or termination of this GIA, 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 GIA; or (6) is required, in accordance with Article 22.1.7 of the GIA, 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 GIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this GIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

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

22.1.5 No Warranties. By providing Confidential Information, neither Party makes

any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

- 22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this GIA or its regulatory requirements.
- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this GIA. 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 GIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.
- 22.1.9 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party 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 CFR 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 GIA, 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 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this GIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the GIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR 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, any information that a Party claims is competitively sensitive, commercial or financial information under this GIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this GIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other 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 Party, 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 Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party

shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

- 24.1 Information Acquisition.** Distribution Provider and 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 Distribution Provider.** The initial information submission by Distribution Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Distribution System and Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Distribution Provider shall provide Interconnection Customer a status report on the construction and installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Generating Facility data requirements contained in Appendix 1 to the GIP. It shall also include any additional information provided to Distribution Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Distribution Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Distribution Provider pursuant to the Interconnection Study Agreement between Distribution Provider and Interconnection Customer, then Distribution Provider will conduct appropriate studies to determine the impact on Distribution Provider Distribution System and Transmission System 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.

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” Generating Facility 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 Generating Facility as required by Good Utility Practice such as an open circuit “step voltage” test on the Generating Facility to verify proper operation of the Generating Facility’s automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Generating Facility 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 Generating Facility’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Generating Facility terminal or field voltages is provided. Generating Facility testing shall be conducted and results provided to Distribution Provider for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, Interconnection Customer shall provide Distribution Provider any information changes due to equipment replacement, repair, or adjustment. Distribution Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Distribution Provider-owned substation that may affect Interconnection Customer’s Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

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 GIA; and (ii) carry out its obligations and responsibilities under this GIA. 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 GIA.

25.2 Reporting of Non-Uncontrollable Force Events. Each Party (the “notifying Party”) shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this GIA for a reason other than an Uncontrollable Force 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 GIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this GIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this GIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Distribution Provider's efforts to allocate responsibility for interruption or reduction of generation on the Distribution System, and each Party's actions in an Emergency Condition. 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 Party's performance and satisfaction of obligations under this GIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades shall be subject to audit for a period of twenty-four months following Distribution Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this GIA 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.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, 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.

Article 26. Subcontractors

26.1 General. Nothing in this GIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this GIA; provided, however, that each Party shall require its subcontractors to comply with all applicable

terms and conditions of this GIA 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 GIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Distribution Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this GIA. Any applicable obligation imposed by this GIA 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

- 27.1 Submission.** In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this GIA 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 GIA.
- 27.2 External Arbitration Procedures.** Any arbitration initiated under this GIA 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 GIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, Distribution Upgrades, 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 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 GIA 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 GIA.
- 28.1.2 Authority.** Such Party has the right, power and authority to enter into this GIA, to become a Party hereto and to perform its obligations hereunder. This GIA 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 GIA 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 GIA 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 GIA, and it will provide to any Governmental Authority notice of any actions under this GIA that are required by Applicable Laws and Regulations.

Article 29. [Reserved]

Article 30. Miscellaneous

30.1 Binding Effect. This GIA 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 GIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this GIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This GIA, 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 GIA, 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 GIA), 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 GIA or such Appendix to this GIA, or such Section to the GIP or such Appendix to the GIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this GIA 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 GIA, 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 GIA. There are

no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this GIA.

30.5 No Third Party Beneficiaries. This GIA 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 GIA to insist, on any occasion, upon strict performance of any provision of this GIA 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 GIA 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 GIA. Termination or Default of this GIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Distribution Provider. Any waiver of this GIA shall, if requested, be provided in writing.

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

30.8 Multiple Counterparts. This GIA 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 GIA by a written instrument duly executed by the Parties.

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

30.11 Reservation of Rights. Distribution Provider shall have the right to make a unilateral filing with FERC to modify this GIA 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 GIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this GIA 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 GIA 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 either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

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

[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____

Name: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Name: _____

Title: _____

Date: _____

Appendix A to GIA

Description of Interconnection Facilities, Network Upgrades, Distribution Upgrades, Costs and Financial Security

Additional Definitions:

1. Interconnection Facilities:

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

(b) [insert Distribution Provider's Interconnection Facilities]:

2. Network Upgrades:

(a) [insert Stand Alone Network Upgrades]:

(b) [insert Other Network Upgrades]:

3. Distribution Upgrades:

4. Point of Change of Ownership, Point of Interconnection and One-Line Diagram of Interconnection:

5. Cost of Interconnection Facilities, Distribution Upgrades and Network Upgrades, Payment Schedule, On-Going Monthly Charges and Financial Security:

Appendix B to GIA

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Appendix C to GIA
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Appendix D to GIA

Security Arrangements Details

Infrastructure security of Distribution System and Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Distribution System reliability and operational security. FERC will expect the ISO, all transmission providers, market participants, and interconnection customers interconnected to the Distribution System and Transmission System 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.

Appendix E to GIA
Commercial Operation Date

This Appendix E is a part of the GIA between Distribution Provider and Interconnection Customer.

[Date]

[Distribution Provider Address]

Re: _____ Generating Facility

Dear _____:

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

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F to GIA

Addresses for Delivery of Notices and Billings

Notices:

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

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

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Appendix G to GIA

Interconnection Customer's Share of Costs of Network Upgrades for Applicable Project Group

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Appendix 6.2 to GIP, Appendix 6.2 Generator Interconnection Agreement ISP for QC5, 6.0.0, A

Record Narrative Name: Appendix 6.2 Generator Interconnection Agreement Independent Study Process for Queue Cluster 5

Tariff Record ID: 300

Tariff Record Collation Value: 1333111 Tariff Record Parent Identifier: 104

Proposed Date: 2018-05-30

Priority Order: 30

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

APPENDIX 6.2 to GIP

GENERATOR INTERCONNECTION AGREEMENT (GIA)

FOR A GENERATING FACILITY

INTERCONNECTING UNDER THE INDEPENDENT STUDY PROCESS

(Applicable to Interconnection Requests received on and after December 1, 2012)

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GENERATOR INTERCONNECTION AGREEMENT

THIS GENERATOR INTERCONNECTION AGREEMENT (“GIA” or “Agreement”) is made and entered into _____, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ (“Interconnection Customer” with a Generating Facility), and Southern California Edison Company, a corporation organized and existing under the laws of the State of California (“Distribution Provider and/or Distribution Owner”). Interconnection Customer and Distribution Provider each may be referred to as a “Party” or collectively as the “Parties.”

Recitals

WHEREAS, Distribution Provider operates the Distribution System; and

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

WHEREAS, Interconnection Customer and Distribution Provider have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the Distribution System;

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

When used in this Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Tariff.

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 Distribution Provider’s Distribution System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

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

partnership or other entity.

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

Annual Tax Security Reassessment shall mean the annual reassessment of the current tax liability in accordance with the directives of FERC Orders 2003-A and 2003-B associated with Article 5.17.4 of the GIA which will commence the first year after Interconnection Customer's in-service date.

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

Applicable Reliability Council shall mean the reliability council applicable to the Distribution System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Distribution System to which the Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.

Area Deliverability Constraint shall mean a Transmission System operating limit that either (a) would constrain the deliverability of a substantial number of generators if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to additional generating facilities in one or more specified geographic or electrical areas of the ISO Grid in a total amount that is greater than the TP Deliverability for those areas; (b) constrains a quantity of generation in a local area of the grid that is larger than the generation amount identified in the applicable transmission planning process portfolio for the entire portfolio area; or (c) constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

Area Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve an Area Deliverability Constraint.

Area Delivery Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Area Delivery Network Upgrades constructed and owned by the Distribution Provider. The Area Delivery Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

Base Case shall mean data including, but not limited to, base power flow, short circuit, and stability data bases, underlying load, generation, and transmission facility assumptions, contingency lists, including relevant special protection systems, and transmission diagrams used

to perform the Interconnection Studies. The Base Case may include Critical Energy Infrastructure Information (as that term is defined by FERC). The Base Case shall include transmission facilities as approved by the Distribution Provider or ISO, as applicable, and Distribution Upgrades and Network Upgrades associated with generating facilities in (iv) below and generating facilities that (i) are directly interconnected to the Distribution System or ISO Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to the Distribution System or an Affected System; or (iv) are not interconnected to the Distribution System or ISO Grid, but are subject to a fully executed generator interconnection agreement (or its equivalent predecessor agreement) or for which an unexecuted generator interconnection agreement (or its equivalent predecessor agreement) has been requested to be filed with FERC.

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

Breaching Party shall mean a Party that is in Breach of the GIA.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

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

Charging Capacity shall mean the capacity provided under the GIA to meet the Charging Demand of a Generating Facility that includes storage, subject to available capacity on the Distribution System and any operating conditions and/or limitations as may be set forth in Appendix C of the GIA.

Charging Demand shall mean the flow of wholesale electric energy from the Distribution System solely to charge the storage component of the Generating Facility from the Distribution System for later redelivery of such energy, net of Generating Facility losses, to the Distribution System. Charging Demand does not include the delivery of energy for purposes that are subject to the Distribution Provider's retail tariff.

Cluster Study Process shall mean the interconnection study process set forth in GIP Section 4.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale or storing electricity for later resale, excluding electricity generated or stored during Trial Operation.

Commercial Operation Date of an Electric Generating Unit shall mean the date on which an Electric Generating Unit at a Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the GIA.

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.

Construction Activities shall mean actions by the Distribution Provider that result in irrevocable financial commitments for the purchase of major electrical equipment or land for Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer that occur after receipt of the appropriate governmental approvals needed for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

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.

Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities shall have the meaning assigned to it in Attachment J of the Tariff. The currently effective Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities is as provided in Attachment J of the Tariff.

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

Delivery Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, other than Reliability Network Upgrades, identified in the Interconnection Studies to relieve constraints on the ISO Grid. Delivery Network Upgrades may be further classified as Local Delivery Network Upgrades or Area Delivery Network Upgrades.

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

Distribution Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the GIA to the extent necessary.

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

Distribution Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Distribution Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the GIA, including any modifications, additions or upgrades to such facilities and equipment. Distribution

Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Distribution Service shall mean the wholesale distribution service provided under the Tariff.

Distribution System shall mean those non-ISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide Distribution Service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

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

Distribution Upgrades Charge shall mean the monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Distribution Upgrades, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Distribution Upgrades Cost. The Distribution Upgrades Charge is provided in Section 5 of Appendix A to the GIA.

Distribution Upgrades Completion Date shall mean the date upon which the construction of the Distribution Upgrades is complete and such facilities are successfully tested and ready for service.

Distribution Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Upgrades. The Distribution Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

Effective Date shall mean the date on which the GIA 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 or storage device and its associated plant and apparatus whose electrical output is capable of being separately identified and metered.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Distribution Provider's

Distribution System, Distribution Provider's Interconnection Facilities or the electric systems of others to which the Distribution Provider's Distribution System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the GIA to possess black start capability.

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

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

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

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

Full Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that could be as large as its Qualifying Capacity (as defined in the ISO Tariff) and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO.

Generating Facility shall mean Interconnection Customer's Electric Generating Unit(s) used for the production and/or storage for later injection of electricity identified in the 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 Electric Generating Units.

Generator Interconnection Agreement (GIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility processed pursuant to the Independent Study Process of the Generator Interconnection Procedures, a *pro forma* version of which is set forth in Appendix 6 to the GIP.

Generator Interconnection Procedures (GIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Generating Facility set forth in Attachment I of the Distribution Provider's Tariff.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or

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

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

Independent Study Process shall mean the interconnection study process set forth in GIP Section 5.

Independent Study Process Study Agreement shall mean the agreement between the Distribution Provider and the Interconnection Customer for conducting the Interconnection Studies for the proposed Generating Facility under the Independent Study Process.

Initial Synchronization Date shall mean the date upon which the Generating Facility 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 Distribution Provider's Interconnection Facilities to obtain back feed power.

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

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the GIA, 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 Distribution Provider's Distribution System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Distribution Provider'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 Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Charge shall mean the monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 5 of Appendix A to the GIA.

Interconnection Facilities Completion Date shall mean the date upon which the construction of the Distribution Provider's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.

Interconnection Facilities Cost shall mean all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Provider's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 5 of Appendix A to the GIA.

Interconnection Facilities Study shall mean a study conducted by the Distribution Provider for an Interconnection Customer under the Independent Study Process to determine a list of facilities (including Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Distribution Provider's Distribution System. The scope of the study is defined in GIP Section 5.8.2.1.

Interconnection Financial Security shall have the meaning assigned to it in the GIP.

Interconnection Handbook shall mean a handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. Distribution Provider'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 GIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this GIA shall govern.

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

Interconnection Service shall mean the service provided by the Distribution Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Distribution Provider's Distribution System and enabling it to receive, or deliver for the Charging Demand, electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the GIA and, if applicable, the Distribution Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection System Impact Study and the Interconnection Facilities Study described in Section 5.8.1 and Section 5.8.2 of the GIP.

Interconnection System Impact Study shall mean an engineering study conducted by the Distribution Provider for an Interconnection Customer under the Independent Study Process that evaluates the impact of the proposed interconnection on the safety and reliability of Distribution Provider's Distribution System and, if applicable, an Affected System. The scope of the study is defined in GIP Section 5.8.1.1.

IRS shall mean the Internal Revenue Service.

ISO shall mean the California Independent System Operator Corporation, a state-chartered, nonprofit, corporation that controls certain transmission facilities of all Participating Transmission Owners and dispatches certain generating units and loads.

ISO Grid shall mean the system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the ISO's operational control.

ISO Tariff shall mean the California Independent System Operator Corporation Operating Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time, and accepted by the FERC.

ISO's Generator Interconnection Procedures (ISO Tariff GIP) shall mean the procedures included in Appendix Y of the ISO Tariff to interconnect a Generating Facility directly to the ISO Grid, as such procedures may be modified from time to time, and accepted by the Commission.

ITCC (Income Tax Component of Contribution) shall have the meaning assigned to it in Attachment J of the Tariff.

Local Deliverability Constraint shall mean a Transmission System operating limit that would be exceeded if the ISO were to assign Full Capacity Deliverability Status or Partial

Capacity Deliverability Status to one or more additional generating facilities interconnecting to the ISO Grid in a specific local area, and that is not an Area Deliverability Constraint.

Local Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve a Local Deliverability Constraint.

Local Delivery Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Local Delivery Network Upgrades constructed and owned by the Distribution Provider. The Local Delivery Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

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

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

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

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

Network Upgrades shall mean Delivery Network Upgrades and Reliability Network Upgrades.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the GIA or its performance.

Off-Peak Deliverability Assessment shall mean the technical study performed under Section 4.5.4.2.2 of the GIP.

On-Peak Deliverability Assessment shall mean the technical study performed under Section 4.5.4.2.1 of the GIP.

One-Time Cost shall mean all costs determined by the Distribution Provider to be associated with the installation of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, Reliability Network Upgrades, or Delivery Network Upgrades which are not capitalized. The One-Time Cost is provided in Section 5 of Appendix A to the GIA.

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.

Option (A) Generating Facility shall mean a Generating Facility for which the Interconnection Customer has selected Option (A) as the deliverability option under GIP Section 4.6.2.

Option (B) Generating Facility shall mean a Generating Facility for which the Interconnection Customer has selected Option (B) as the deliverability option under GIP Section 4.6.2.

Partial Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that cannot be larger than a specified amount of its Qualifying Capacity (as defined in the ISO Tariff), and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO.

Participating Transmission Owner shall mean an entity which (i) owns, operates, and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities and (ii) has transferred to the ISO operational control of such facilities and/or entitlements to be made part of the ISO Grid.

Party or Parties shall mean Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the GIA, where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the GIA, where the Interconnection Facilities connect to the Distribution Provider's Distribution System.

Pre-Construction Activities shall mean the actions by the Distribution Provider, other than those required by an Engineering and Procurement Agreement under Section 8 of the GIP, undertaken prior to Construction Activities in order to prepare for the construction of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer, including, but not limited to, preliminary engineering, permitting activities, environmental analysis, or other activities specifically needed to obtain governmental approvals for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

Queue Cluster shall mean a set of Interconnection Requests in an interconnection study cycle processed pursuant to the Cluster Study Process.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the GIA, 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.

Reliability Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, necessary to interconnect one or more Generating Facility(ies) safely and reliably to the ISO Grid, which would not have been necessary but for the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which system operating limits cannot be adequately mitigated through the ISO's congestion management, operating procedures, or special protection systems based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with the Applicable Reliability Council's practice and Applicable Reliability Standards, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.

Reliability Network Upgrades Cost shall mean the Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 5 of Appendix A to the GIA.

Remedial Action Scheme (RAS) shall mean a scheme designed to detect predetermined system conditions and automatically take corrective actions that may include, but are not limited to, adjusting or tripping generation.

Results Meeting shall mean the meetings among the Distribution Provider, the Interconnection Customer, and, if applicable, the ISO to discuss either the results of the Interconnection System Impact Study as set forth in Section 5.8.1.4 of the GIP or the results of the Interconnection Facilities Study as set forth in Section 5.8.2.4 of the GIP.

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

Site Exclusivity shall mean documentation reasonably demonstrating: (1) For private land: (a) Ownership of, a leasehold interest in, or a right to develop property upon which the Generating Facility will be located consisting of a minimum of 50% of the acreage reasonably necessary to accommodate the Generating Facility; or (b) an option to purchase or acquire a leasehold interest in property upon which the Generating Facility will be located consisting of a

minimum of 50% of the acreage reasonably necessary to accommodate the Generating Facility. (2) For Public land, including that controlled or managed by any federal, state or local agency, a final, non-appealable permit, license, or other right to use the property for the purpose of generating electric power and in acreage reasonably necessary to accommodate the Generating Facility, which exclusive right to use public land under the management of the federal Bureau of Land Management shall be in a form specified by the Bureau of Land Management.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Distribution Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the GIA.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Distribution Provider's Distribution System, the ISO 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 Distribution Provider's Distribution System, the ISO Grid or on other delivery systems or other generating systems to which the Distribution Provider's Distribution System and Transmission System is directly connected.

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

Tax Security shall mean the Interconnection Customer's provision of security with respect to the Interconnection Customer's tax indemnification obligations, provided in accordance with Article 5.17.3. The Tax Security is provided in Section 5 of Appendix A to the GIA.

TP Deliverability shall mean the capability, measured in MW, of the ISO Grid as modified by transmission upgrades and additions modeled or identified in the annual Transmission Plan to support the interconnection with Full Capacity Deliverability Status or Partial Capacity Deliverability Status of additional Generating Facilities in a specified geographic or electrical area of the ISO Grid.

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

Transmission Plan shall mean the report prepared by the ISO on an annual basis pursuant to Section 24 of the ISO Tariff, which documents the outcome of the ISO's transmission planning process by which the ISO assesses the ISO Grid.

Transmission System shall mean those transmission facilities owned by the Distribution Provider that have been placed under the ISO's Operational Control and are part of the ISO Grid.

Trial Operation shall mean the period during which Interconnection Customer is

engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Uncontrollable Force shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force event does not include acts of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This GIA 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. Distribution Provider shall promptly file this GIA 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 GIA shall remain in effect for a period of _____ years from the Effective Date (term specified in individual agreements to be ten (10) years or such other longer period as the Interconnection Customer may request) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

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

2.3.2 Default. Either Party may terminate this GIA in accordance with Article 17.

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

2.3.4 Notwithstanding Articles 2.3.1 and 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 GIA, which notice has been accepted for filing by FERC, and the Interconnection Customer has fulfilled its termination cost obligations under Article 2.4.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other

Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this GIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this GIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Distribution Provider's Interconnection Facilities that have not yet been constructed or installed, Distribution Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Distribution Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Distribution Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Distribution Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Distribution Provider to cancel any pending orders of or return such materials, equipment, or contracts.

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

2.4.2 Distribution Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Distribution Provider 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 GIA, 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 GIA, the Parties will take all appropriate steps to disconnect the Generating Facility from the Distribution 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 GIA or such non-terminating Party otherwise is responsible for these costs under this GIA.

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

Article 3. Regulatory Filings

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

Article 4. Scope of Service

4.1 Interconnection Service. Interconnection Service allows Interconnection Customer to connect the Generating Facility to the Distribution System and be eligible to deliver, or receive for the Charging Demand using the capacity of the Distribution System. To the extent Interconnection Customer wants to receive Interconnection Service, Distribution Provider shall construct facilities identified in Appendices A and C that the Distribution Provider is responsible to construct.

4.1.1 Distribution Service Implications. Interconnection Customer will be eligible to deliver power from the Generating Facility to Distribution Provider's Distribution System or receive power from the Distribution System for the Charging Demand pursuant to the Tariff. The Interconnection Customer may not deliver or receive power over the Distribution Provider's Distribution System absent procuring Distribution Service. The Interconnection Customer must apply for Distribution Service pursuant to Section 15.2 of the Tariff and meet the conditions specified in Section 14 of the Tariff to be eligible for Distribution Service.

4.1.2 Transmission Service Implications. Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver or receive power to or from the Generating Facility to any particular load or resource on the ISO Grid without incurring congestion costs. In the event of transmission constraints on the ISO Grid, Interconnection Customer's Generating Facility shall be subject to the applicable congestion management procedures in the ISO Tariff in the same manner as all other resources. The Interconnection Customer shall be solely responsible for completing all of the necessary arrangements required under the ISO Tariff to be eligible to schedule the output and Charging Demand of its resource.

- 4.2 Provision of Service.** Distribution Provider shall provide Interconnection Service for the Generating Facility at the Point of Interconnection.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this GIA 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 GIA for its compliance therewith. If such Party is a Distribution Provider or Distribution Owner, then that Party shall amend the GIA and submit the amendment to FERC for approval.
- 4.4 No Distribution Service or Transmission Service.** The execution of this GIA does not constitute a request for, nor the provision of, Distribution Service under the Tariff or any transmission service under the ISO Tariff, and does not convey any right to the Interconnection Customer to deliver electricity generated or stored for later injection using the Distribution System.
- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this GIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 9.6.3.
- 4.6 TP Deliverability.** To the extent that an Interconnection Customer is eligible for and has been allocated TP Deliverability pursuant to Section 8.9 of Appendix DD of the ISO Tariff, the Interconnection Customer's retention of such allocated TP Deliverability shall be contingent upon satisfying the obligations set forth in Section 4.6.13 of the GIP. In the event that the Interconnection Customer does not retain allocated TP Deliverability with regard to any portion of the Generating Facility, such portion of the Generating Facility shall be deemed to receive Interconnection Service under this GIA as Energy Only Deliverability Status (as such term is defined in the ISO Tariff).

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

- 5.1 Options.** Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option, Alternate Option, or, if eligible in accordance with ISO Tariff requirements, Merchant Option, set forth below for completion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades as set forth in Appendix A, Interconnection Facilities, Distribution Upgrades, and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.
- 5.1.1 Standard Option.** Distribution Provider shall design, procure, and construct Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, using Reasonable Efforts to complete Distribution Provider's

Interconnection Facilities, Distribution Upgrades, and Network Upgrades by the dates set forth in Appendix B, Milestones. Distribution Provider 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 Distribution Provider reasonably expects that it will not be able to complete Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades by the specified dates, Distribution Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

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

If Distribution Provider subsequently fails to complete Distribution Provider's Interconnection Facilities and Distribution Upgrades 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 or operation in charging mode, 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; Distribution Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the ISO refuses to grant clearances to install equipment.

- 5.1.3 Option to Build.** If the dates designated by Interconnection Customer are not acceptable to Distribution Provider, Distribution Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Distribution Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option. This provision only applies to Generating Facilities larger than 20 MW.

- 5.1.4 Negotiated Option.** If Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, Interconnection Customer shall so notify

Distribution Provider within thirty (30) Calendar Days, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer) pursuant to which Distribution Provider is responsible for the design, procurement and construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Distribution Provider shall assume responsibility for the design, procurement and construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades pursuant to 5.1.1, Standard Option.

5.1.5 Merchant Option. In addition to any Option to Build set forth in Article 5.1.3 of this GIA, an Interconnection Customer having an Option (B) Generating Facility may elect, pursuant to the ISO Tariff, to have a party other than the Distribution Provider construct some or all of the Local Delivery Network Upgrades and Area Delivery Network Upgrades for which the Interconnection Customer has the obligation to fund and which are not subject to reimbursement. Such Local Delivery Network Upgrades and Area Delivery Network Upgrades will be constructed and incorporated into the ISO Grid pursuant to the provisions for merchant transmission facilities in ISO Tariff Sections 24.4.6.1 and 36.11.

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

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

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

(3) Distribution Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Distribution Provider a schedule for construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades, and

shall promptly respond to requests for information from Distribution Provider;

(5) at any time during construction, Distribution Provider shall have the right to gain unrestricted access to Distribution Provider'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 Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Distribution Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades;

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

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

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Distribution Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Distribution Provider;

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

(11) Interconnection Customer shall deliver to Distribution Provider "as-built" drawings, information, and any other documents that are reasonably required by Distribution Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Distribution Provider.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Distribution Provider 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 Distribution Provider to Interconnection Customer in the event that Distribution Provider does not complete any portion of Distribution Provider's Interconnection Facilities, Distribution

Upgrades, 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, in the aggregate, for which Distribution Provider 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades for which Distribution Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Distribution Provider to Interconnection Customer as just compensation for the damages caused to 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 GIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Distribution Provider's failure to meet its schedule.

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

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with Applicable Reliability Standards, the guidelines and procedures established by the Applicable Reliability Council, and in accordance with the provisions of Section 4.6.5.1 of the ISO Tariff. Distribution Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Generating Facility. If the Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Distribution Provider and Distribution Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators of the induction type.

5.5 Equipment Procurement. If responsibility for construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades is to be borne by

Distribution Provider, then Distribution Provider shall commence design of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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** Distribution Provider has completed the Interconnection Studies pursuant to the Independent Study Process Study Agreement;
 - 5.5.2** Distribution Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and
 - 5.5.3** Interconnection Customer has provided security to Distribution Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.6 Construction Commencement.** Distribution Provider shall commence construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades;
 - 5.6.3** Distribution Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
 - 5.6.4** Interconnection Customer has provided security to Distribution Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7 Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Distribution Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Distribution Provider of such later date upon which the completion of Distribution Provider's Interconnection Facilities will be required.
- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with

Distribution Provider's Distribution System, and shall work diligently and in good faith to make any necessary design changes.

- 5.9 Limited Operation.** If any of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Generating Facility, Distribution Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this GIA. Distribution Provider shall permit Interconnection Customer to operate the Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.
- 5.10 Interconnection Customer's Interconnection Facilities ('ICIF').** Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.
- 5.10.1 Interconnection Customer's Interconnection Facility Specifications.** Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Distribution Provider 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. Distribution Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Distribution Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.
- 5.10.2 Distribution Provider's Review.** Distribution Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Distribution Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Distribution Provider.
- 5.10.3 ICIF Construction.** The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to

Distribution Provider “as-built” drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Generating Facility. The Interconnection Customer shall provide Distribution Provider specifications for the excitation system, automatic voltage regulator, Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.10.4 Interconnection Customer to Meet Requirements of the Distribution Provider’s Interconnection Handbook. The Interconnection Customer shall comply with the Distribution Provider’s Interconnection Handbook. In the event of a conflict between the terms of this GIA and the terms of the Distribution Provider’s Interconnection Handbook, the terms in this GIA shall govern.

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

_____.

Distribution Provider will obtain control for operating and maintenance purposes of Distribution Provider'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 Generating Facility with the Distribution System; (ii) operate and maintain the Generating Facility, the Interconnection Facilities and the Distribution System; and (iii) disconnect or remove the Access Party’s facilities and equipment upon termination of this GIA. 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 Distribution Provider or Distribution Owner's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Distribution Provider or Distribution Owner, Distribution Provider or Distribution Owner shall at 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 Distribution Provider or Distribution Owner's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades upon such property.
- 5.14 Permits.** Distribution Provider or Distribution Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Distribution Provider or Distribution Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Distribution Provider's own, or an Affiliate's generation.
- 5.15 Early Construction of Base Case Facilities.** Interconnection Customer may request Distribution Provider to construct, and Distribution Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Distribution Upgrades or Network Upgrades required for Interconnection Customer to be interconnected to the Distribution System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.
- 5.16 Suspension.** Interconnection Customer reserves the right, upon written notice to Distribution Provider, to suspend at any time all work by Distribution Provider associated with the construction and installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades required under this GIA, other than Network Upgrades identified as common to multiple generating facilities, with the condition that Distribution System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Distribution Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Distribution Provider (i) has incurred pursuant to this GIA 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 Distribution System and Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Distribution Provider

cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Distribution Provider shall obtain Interconnection Customer's authorization to do so.

Network Upgrades common to multiple generating facilities, and to which the Interconnection Customer's right of suspension shall not extend, consist of Network Upgrades identified for:

- i. Generating facilities which are the subject of all Interconnection Requests made prior to the Interconnection Customer's Interconnection Request; or
- ii. Generating facilities which are the subject of Interconnection Requests within the Queue Cluster where the Interconnection Customer's request for Full Capacity Deliverability Status or Partial Capacity Deliverability Status is assessed; or
- iii. Generating facilities that are the subject of Interconnection Requests that were made after the Interconnection Customer's Interconnection Request but no later than the date on which the Interconnection Customer's Interconnection Facilities Study report was issued, and have been modeled in the Base Case at the time the Interconnection Customer seeks to exercise its suspension rights under this section.

Distribution Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Distribution Provider required under this GIA pursuant to this Article 5.16, and has not requested Distribution Provider to recommence the work or has not itself recommenced work required under this GIA on or before the expiration of three (3) years following commencement of such suspension, this GIA shall be deemed terminated and the Interconnection Customer's responsibility for costs will be determined in accordance with Article 2.4 of this GIA. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Distribution Provider, if no effective date is specified. The maximum three-year period shall apply to the projected Commercial Operation Date for the Generating Facility identified in the initial Interconnection Request, without regard to any subsequent changes to the dates set forth in the Interconnection Request, without regard to the milestone schedule dates set forth in Appendix B hereto or any changes to those dates, and without regard to any other scheduled dates for action affecting the Generating Facility, Interconnection Facilities, or Network Upgrades or any changes to those dates.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Distribution Provider for the installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades shall be non-taxable, either as

contributions to capital, or as an 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 2016-36, Interconnection Customer represents and covenants that (i) ownership of the electricity generated or delivered from storage at the Generating Facility will pass to another party prior to the transmission of the electricity on the Distribution System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Distribution Provider for Distribution Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Distribution Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 2016-36, is reasonably expected to carry only a de minimis amount of electricity in the direction of the 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 2016-36. 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 Distribution Provider's request, Interconnection Customer shall provide Distribution Provider with a report from an independent engineer confirming its representation in clause (iii), above. Distribution Provider represents and covenants that the cost of Distribution Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

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

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

for Interconnection Facilities, in a form reasonably acceptable to Distribution Provider (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. Interconnection Customer shall reimburse Distribution Provider 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 Distribution Provider 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 (10) year testing period and the applicable statute of limitation, as it may be extended by Distribution Provider 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. 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 Interconnection Customer will pay Distribution Provider, in addition to the amount paid for the Interconnection Facilities, Distribution Upgrades, and Network Upgrades, an amount equal to (1) the current taxes imposed on Distribution Provider ("Current Taxes") on the excess of (a) the gross income realized by Distribution Provider as a result of payments or property transfers made by Interconnection Customer to Distribution Provider under this GIA (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 Distribution Provider 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 Distribution Provider's composite federal and state tax rates at the time the payments or property transfers are received and Distribution Provider 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 Distribution Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Distribution Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Distribution Owner pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Distribution Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Distribution Provider under this GIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Distribution Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

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

5.17.6 Subsequent Taxable Events. If, within ten (10) years from the date on which the relevant Distribution Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, or (ii) a "disqualification event" occurs within the meaning of IRS Notice 2016-36, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Distribution Provider in the form of a nonrefundable cash payment, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 2016-36.

5.17.7 Contests. In the event any Governmental Authority determines that Distribution Provider's receipt of payments or property constitutes income that is subject to taxation, Distribution Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Distribution Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Distribution Provider 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. Distribution Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Distribution Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Distribution Provider on a periodic basis, as invoiced by Distribution Provider, Distribution Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Distribution Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Distribution Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully-grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Distribution Provider for the tax at issue in the contest.

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

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

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

(iii) with respect to any such taxes paid by Distribution Provider, any refund or credit Distribution Provider 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 Distribution Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Distribution Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Distribution Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Distribution Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Distribution Provider'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, Distribution Upgrades, and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

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

5.17.10 Distribution Owners Who Are Not Distribution Providers. If Distribution Provider is not the same entity as the Distribution Owner, then (i) all references in this Article 5.17 to Distribution Provider shall be deemed also to refer to and to include the Distribution Owner, as appropriate, and (ii) this GIA shall not become effective until such Distribution Owner shall have agreed in writing to assume all of the duties and obligations of Distribution Provider under this Article 5.17 of this GIA.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this GIA is intended to adversely affect any Distribution Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party 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 Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party 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 Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Distribution Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Distribution System, Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

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 GIA and Good Utility Practice.

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

5.19.4 Permitted Reductions in Output Capacity (MW Generating Capacity) of the

Generating Facility. An Interconnection Customer may reduce the MW capacity of the Generating Facility by up to five percent (5%) for any reason during the time period between the Effective Date of this GIA and the Commercial Operation Date. The five percent (5%) value shall be established by reference to the MW generating capacity as set forth in Appendix C.

The Distribution Provider will consider an Interconnection Customer's request for a reduction in the MW generating capacity greater than five percent (5%) under limited conditions where the Interconnection Customer reasonably demonstrates to the Distribution Provider that the MW generation capacity reduction is warranted due to reasons beyond the control of the Interconnection Customer. Reasons beyond the control of the Interconnection Customer shall consist of any one or more of the following:

- (i) The Interconnection Customer's failure to secure required permits and other governmental approvals to construct the Generating Facility at its total MW generating capacity as specified in Appendix C after the Interconnection Customer has made diligent effort to secure such permits or approvals;
- (ii) The Interconnection Customer's receipt of a written statement from the permitting or approval authority (such as a draft environmental impact report) indicating that construction of a Generating Facility of the total MW generating capacity size specified in Appendix C will likely result in disapproval due to a significant environmental or other impact that cannot be mitigated;
- (iii) Failure to obtain the legal right of use of the full site acreage necessary to construct and/or operate the total MW generating capacity size for the entire Generating Facility specified in Appendix C, after the Interconnection Customer has made a diligent attempt to secure such legal right of use. This subsection (iii) applies only where an Interconnection Customer has previously demonstrated and maintained its demonstration of Site Exclusivity prior to invoking this subsection as a reason for downsizing.

If relying on subsection (i) or (ii) above, in order to be eligible for a capacity reduction greater than five percent (5%), the Interconnection Customer must also demonstrate to the Distribution Provider that a reduction of MW generating capacity of the Generating Facility to the reduced size that the Interconnection Customer proposes will likely overcome the objection of the permitting/approving authority or otherwise cause the permitting/approving authority to grant the permit or approval. The Interconnection Customer may satisfy this demonstration requirement by submitting to the Distribution Provider either a writing from the permitting/approving authority to this effect or other evidence of a commitment by the permitting/approving authority that the MW capacity

reduction will remove the objections of the authority to the permit/approval application.

If relying on subsection (iii) above, the Interconnection Customer must also reasonably demonstrate to the Distribution Provider that the proposed reduced-capacity Generating Facility can be constructed on the site over which the Interconnection Customer has been able to obtain legal rights of use.

Upon such demonstration to the reasonable satisfaction of the Distribution Provider, the Distribution Provider will permit such reduction. No permitted reduction of MW generation capacity under this Article shall operate to diminish the Interconnection Customer's cost responsibility for Network Upgrades or to diminish the Interconnection Customer's right to repayment for financing of Network Upgrades under this GIA.

5.20 Annual Reassessment Process. In accordance with Section 7.4 of Appendix DD of the ISO Tariff, the ISO will perform an annual reassessment, as part of a Queue Cluster interconnection study cycle, in which it will update certain base case data prior to beginning the Phase II Interconnection Studies (as such term is defined in the ISO Tariff). As set forth in Section 7.4 of Appendix DD of the ISO Tariff, the ISO may determine through this assessment that Delivery Network Upgrades already identified and included in executed generator interconnection agreements should be modified in order to reflect the current circumstances of interconnection customers in the queue, including any withdrawals therefrom, and any additions and upgrades approved in the ISO's most recent transmission planning process cycle. To the extent that this determination modifies the scope or characteristics of, or the cost responsibility for, any Delivery Network Upgrades set forth in Appendix A to this GIA, such modification(s) will be reflected through an amendment to this GIA.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Distribution Provider shall test Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades and Interconnection Customer shall test the Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. The Interconnection Customer shall not commence initial parallel operation of an Electric Generating Unit with the Distribution Provider's Distribution System until the Distribution Provider provides prior written approval as set forth in Appendix B, Milestones, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit. Interconnection Customer shall generate or receive test energy at the Generating Facility only if it has arranged for the delivery or receipt 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 Generating Facility with the Distribution System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other 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 GIA.

Article 7. Metering

- 7.1 General.** Each Party shall comply with any Applicable Reliability Standards and the Applicable Reliability Council requirements. The Interconnection Customer shall comply with the provisions of the ISO Tariff regarding metering, including Section 10 of the ISO Tariff. Unless otherwise agreed by the Parties, Distribution Provider may install additional Metering Equipment at the Point of Interconnection prior to any operation of the Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Generating Facility shall be measured at or, at Distribution Provider's option, compensated to, the Point of Interconnection. Interconnection Customer's access to meter data shall be provided in accordance with the ISO Tariff. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check the ISO-pollled meters or Distribution Provider'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 GIA, except in the case that no other means are available on a temporary basis at the option of the Distribution Provider. The check meters shall be subject at all reasonable times to inspection and examination by Distribution Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

- 7.3 Distribution Provider Retail Metering.** Distribution Provider may install retail revenue quality meters and associated equipment, pursuant to the Distribution Provider's applicable retail tariffs. Metering for Generating Facilities which include storage, and which utilize the Distribution System for charging the storage device pursuant to the Tariff, shall be configured to meter the retail load separately from the Charging Demand (as required in Article 7.4), and may require, but not be limited to, the installation of multiple meters and associated equipment as specified in Appendix A of the GIA.
- 7.4 Requirements for Storage.** Distribution Provider shall, at the Interconnection Customer's expense, install, own, operate, test and maintain meters and associated metering equipment required to meter the Charging Demand of Generating Facilities that include storage.

Article 8. Communications

- 8.1 Interconnection Customer Obligations.** Interconnection Customer shall maintain satisfactory operating communications with Distribution Provider's Distribution System dispatcher or representative designated by Distribution Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Distribution Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Generating Facility to the location(s) specified by Distribution Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.
- 8.2 Remote Terminal Unit.** Prior to the Initial Synchronization Date of the Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Distribution Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Distribution Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Distribution Provider. Instantaneous bi-directional analog real power and reactive power

flow information must be telemetered directly to the location(s) specified by Distribution Provider.

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

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

Article 9. Operations

- 9.1 General.** Each Party shall comply with Applicable Reliability Standards and the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.
- 9.2 Control Area Notification.** At least three months before Initial Synchronization Date, Interconnection Customer shall notify Distribution Provider in writing of the Control Area in which the Generating Facility will be located. If Interconnection Customer elects to locate the Generating Facility in a Control Area other than the Control Area in which the Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this GIA, 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 Generating Facility in the other Control Area.
- 9.3 Distribution Provider Obligations.** Distribution Provider shall cause the Distribution System and Distribution Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this GIA. Distribution Provider may provide operating instructions to Interconnection Customer consistent with this GIA and Distribution Provider's operating protocols and procedures as they may change from time to time. Distribution Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** Interconnection Customer shall at its own expense operate, maintain and control the Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this GIA. Interconnection Customer shall operate the Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this GIA. Appendix C, Interconnection Details,

will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this GIA.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Generating Facility to Distribution Provider's Distribution System.

9.6 Reactive Power.

9.6.1 Power Factor Design Criteria.

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation, or equivalent location when there is not a generator substation, at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established a different power factor range that applies to all non-synchronous generators in the Control Area on a comparable basis. This power factor range standard shall be dynamic and can be met 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet submitted the initial posting of Interconnection Financial Security as of the effective date of the Final Rule establishing this requirement (Order No. 827).

Newly interconnecting non-synchronous generators that have submitted the initial posting of Interconnection Financial Security and have not executed a GIA, or requested the filing of an unexecuted GIA, as of the effective date of the Final Rule, will be required to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, if an Interconnection Study shows that such a requirement is necessary to ensure safety or reliability.

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Generating Facility with the Distribution System, Distribution Provider shall require Interconnection Customer to operate the Generating Facility to produce or absorb reactive power within the design limitations of the Generating Facility set

forth in Article 9.6.1 (Power Factor Design Criteria). Distribution Provider's voltage schedules shall treat all sources of reactive power interconnected with the Distribution System in an equitable and not unduly discriminatory manner and consistent with the applicable requirements of the ISO Tariff. Distribution Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Distribution System and Transmission System. Interconnection Customer shall operate the Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the Distribution Provider and the ISO.

9.6.2.1 Governors and Regulators. Whenever the Generating Facility is operated in parallel with the Distribution System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Generating Facility with its speed governors and voltage regulators in automatic operation. If the Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Distribution Provider and the ISO, and ensure that the Electric Generating Unit operates as specified in Article 9.6.2 through manual operation and that such Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Generating Facility to disconnect automatically or instantaneously from the Distribution System or trip any generating unit comprising the 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. Payment to Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Generating Facility when the ISO requests Interconnection Customer to operate its Generating Facility outside the range specified in Article 9.6.1 will be made by the ISO in accordance with the applicable provisions of the ISO Tariff.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance

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

9.7.1.2 Outage Schedules. Interconnection Customer shall submit its planned maintenance schedules for the Generating Facility to Distribution Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Distribution Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Distribution System and Transmission System. Distribution Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Distribution Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities. Distribution Provider shall have no obligation to pay Interconnection Customer any costs the Interconnection Customer incurs as the result of being directed by the ISO to reschedule maintenance.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the 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.

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, Distribution Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity to or from the Generating Facility if such delivery of

electricity could adversely affect Distribution Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Distribution System and Transmission System. 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 Distribution System;

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

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

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Generating Facility, Interconnection Facilities, and the Distribution System and Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Frequency and Voltage Ride Through. The Interconnection Customer shall ensure "frequency ride through" capability and "voltage ride through" capability of the Generating Facility. The Interconnection Customer shall enable these capabilities such that the Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Distribution Provider and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to Article 6 of this GIA. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Control Area on a comparable basis.

9.7.4 System Protection and Other Control Requirements.

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

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Applicable Reliability Standards, Applicable Reliability Council criteria, and Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party'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 Interconnection Customer's units.

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

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent 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 Distribution Provider, including, if applicable, the requirements of the Distribution Provider'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 Distribution Provider's Interconnection Handbook, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Generating Facility to any short circuit occurring on the

Distribution System not otherwise isolated by Distribution Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Distribution System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Generating Facility and the Distribution System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Generating Facility and Interconnection Customer's other equipment if conditions on the Distribution System could adversely affect the Generating Facility.

- 9.7.6 Power Quality.** Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard or any alternative Applicable Reliability Standard or Applicable Reliability Council standard. In the event of a conflict among ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, or any alternative Applicable Reliability Standard or Applicable Reliability Council standard, the alternative Applicable Reliability Standard or Applicable Reliability Council standard shall control.
- 9.8 Switching and Tagging Rules.** Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.
- 9.9 Use of Interconnection Facilities by Third Parties.**
- 9.9.1 Purpose of Interconnection Facilities.** Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Generating Facility to the Distribution 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 Distribution Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Distribution Provider, all third party users, and Interconnection Customer, in accordance with

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

- 9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Generating Facility or Distribution Provider's Distribution System and Transmission System 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.
- 9.11 Limitations on Charging for Storage.** Generating Facilities that include storage may be subject to limits on the amount of Charging Capacity, the times during which the storage component may charge from the Distribution System, or other limitations on Charging Demand as specified in Appendix C of the GIA.

Article 10. Maintenance

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

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

Article 11. Performance Obligation

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

11.2 Distribution Provider's Interconnection Facilities. Distribution Provider or Distribution Owner shall design, procure, construct, install, own and/or control the Distribution Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer. The Interconnection Customer shall be responsible for funding all costs related to Distribution Provider's Interconnection Facilities. The costs set forth in Appendix A are estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for the Distribution Provider's Interconnection Facilities. The Interconnection Customer shall be responsible for the actual costs related to Distribution Provider's Interconnection Facilities.

11.3 Network Upgrades and Distribution Upgrades. Distribution Provider or Distribution Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, except for any Stand Alone Network Upgrades and Merchant Network Upgrades (as such term is defined in the ISO Tariff).

11.3.1 Distribution Upgrades. The Interconnection Customer shall be responsible for funding all costs related to Distribution Upgrades. The costs set forth in Appendix A are estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for Distribution Upgrades. The Interconnection Customer shall be responsible for the actual costs related to Distribution Upgrades.

11.3.2 Reliability Network Upgrades. The Interconnection Customer shall be responsible for funding the costs of the Reliability Network Upgrades up to the maximum cost responsibility limit established for the Interconnection Customer in accordance with Section 5.8.2 of the GIP for such facilities. The costs set forth in Appendices A and G are estimates only. The Interconnection Customer

shall be responsible for its share of the actual costs of Reliability Network Upgrades up to its maximum cost responsibility limit. The Interconnection Customer may be entitled to repayment of all or a portion of the costs it funded for Reliability Network Upgrades in accordance with Article 11.4.1.

11.3.3 Local Delivery Network Upgrades. If the Interconnection Customer has an Option (A) Generating Facility, or if the Interconnection Customer has an Option (B) Generating Facility and did not select the Merchant Option for the Local Delivery Network Upgrades, then the Interconnection Customer shall be responsible for funding its share of the costs of Local Delivery Network Upgrades up to the maximum cost responsibility limit established for the Interconnection Customer in accordance with Section 4.6 of the GIP for such facilities. The costs set forth in Appendices A and G are estimates only. The Interconnection Customer shall be responsible for its share of the actual costs of Local Delivery Network Upgrades up to its maximum cost responsibility limit. The Interconnection Customer may be entitled to repayment for the costs it funded for Local Delivery Network Upgrades in accordance with Article 11.4.1.

11.3.4 Area Delivery Network Upgrades. If the Interconnection Customer has an Option (A) Generating Facility, the Interconnection Customer will not be responsible for funding the costs of any Area Delivery Network Upgrades. If the Interconnection Customer has an Option (B) Generating Facility and did not select the Merchant Option for the Area Delivery Network Upgrades, then the Interconnection Customer shall be responsible for funding the costs of Area Delivery Network Upgrades. The costs set forth in Appendices A and G are advisory estimates only and will not establish any cap or maximum cost responsibility limit on the cost responsibility of the Interconnection Customer for Area Delivery Network Upgrades. The Interconnection Customer shall be responsible for the actual costs of Area Delivery Network Upgrades. The Interconnection Customer will not be entitled to repayment for the costs it funded for Area Delivery Network Upgrades in accordance with Article 11.4.1.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. An Interconnection Customer that has been tendered a Generator Interconnection Agreement before July 29, 2016 may be entitled, in accordance with this Article 11.4.1, to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades commencing on the Commercial Operation Date of its Generating Facility.

An Interconnection Customer that has not been tendered a Generator Interconnection Agreement before July 29, 2016 may be entitled, in accordance with this Article 11.4.1, to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service on or before the Commercial Operation Date of its Generating Facility, commencing on the

Commercial Operation Date of its Generating Facility. Repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service after the Commercial Operation Date of its Generating Facility shall, for each of these Network Upgrades, commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) ninety (90) Calendar Days after the Network Upgrade is placed into service.

Interconnection Customer may be entitled to a cash repayment based on the amount paid to Distribution Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, as follows:

a) Reliability Network Upgrades. The Interconnection Customer shall be entitled to a repayment of the amount the Interconnection Customer paid to the Distribution Provider for Reliability Network Upgrades as set forth in Appendix A and G, up to a maximum of \$60,000 per MW of Generating Facility capacity. For purposes of this determination, the Generating Facility capacity will be based on the capacity of the Interconnection Customer's Generating Facility at the time it achieves Commercial Operation. However, to the extent that such repayment does not cover all of the costs of Interconnection Customer's Reliability Network Upgrades, the Interconnection Customer may receive Congestion Revenue Rights (as such term is defined in the ISO Tariff) from the ISO in accordance with the ISO Tariff for that portion of its Reliability Network Upgrades that are not covered by cash repayment.

b) Local Delivery Network Upgrades.

- i. If the Interconnection Customer has an Option (A) Generating Facility, the Interconnection Customer shall be entitled to a repayment equal to the total amount the Interconnection Customer paid to the Distribution Provider for the costs of Local Delivery Network Upgrades.
- ii. If the Interconnection Customer has an Option (B) Generating Facility and has been allocated TP Deliverability and continues to be eligible to retain such TP Deliverability pursuant to Appendix DD of the ISO Tariff, the Interconnection Customer shall be entitled to repayment of a portion of the total amount paid to the Distribution Provider for the costs of Local Delivery Network Upgrades. The repayment amount shall be determined by dividing the amount of TP Deliverability received by the amount of TP Deliverability requested by the Interconnection Customer, and multiplying that percentage by the total amount paid to the Distribution Provider by the Interconnection Customer for Local Delivery Network Upgrades. However, the

Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for that portion of its Local Delivery Network Upgrades that are not covered by cash repayment.

- iii. If the Interconnection Customer has an Option (B) Generating Facility and has not been allocated any TP Deliverability pursuant to Appendix DD of the ISO Tariff, the Interconnection Customer shall not be entitled to repayment of the amount paid to the Distribution Provider for the costs of Local Delivery Network Upgrades. However, the Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for the costs of Local Delivery Network Upgrades that are not covered by cash repayment.

- c) **Area Delivery Network Upgrades.** The Interconnection Customer shall not be entitled to repayment of the amount paid to the Distribution Provider for the costs of Area Delivery Network Upgrades. However, the Interconnection Customer may be entitled to receive Congestion Revenue Rights from the ISO in accordance with the ISO Tariff for the costs of Area Delivery Network Upgrades that are not covered by cash repayment.

Any repayment for Reliability Network Upgrades and Local Delivery Network Upgrades, as specified above, will be paid to the Interconnection Customer by the Distribution Provider on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Distribution Provider's Tariff and Affected System's Tariff for transmission services with respect to the Generating Facility. 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 pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Distribution Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Distribution Provider and Affected System Operator take one of the following actions no later than five years from the applicable date as provided for in this Article 11.4.1: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Distribution Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty

(20) years from the applicable commencement date.

If the Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Distribution Provider and Affected System Operator 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. Unless Distribution Provider provides, under the GIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this GIA, 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 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 Generating Facility.

11.5 Provision of Interconnection Financial Security. The Interconnection Customer is obligated to provide all necessary Interconnection Financial Security required under Section 5.9 of the GIP in a manner acceptable under Section 5.9 of the GIP.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due 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 GIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within twelve (12) months after completion of the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades, Distribution Provider shall provide an invoice of the final cost of the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades and shall set forth such costs in sufficient detail to enable

Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Distribution Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

- 12.3 Payment.** Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this GIA.
- 12.4 Disputes.** In the event of a billing dispute between Distribution Provider and Interconnection Customer, Distribution Provider shall continue to provide Interconnection Service under this GIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Distribution Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Distribution Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

- 13.1 Definition.** "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Distribution System, Distribution Provider's Interconnection Facilities or the Transmission Systems of others to which the Distribution System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the 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 GIA to possess black start capability.
- 13.2 Obligations.** Each Party shall comply with the Emergency Condition procedures of the ISO, NERC, the Applicable Reliability Council, Applicable Reliability Standards, Applicable Laws and Regulations, and any emergency procedures set forth in this GIA.
- 13.3 Notice.** Distribution Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Distribution Provider's

Interconnection Facilities, Distribution System or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Distribution Provider promptly when it becomes aware of an Emergency Condition that affects the Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Distribution System, Transmission System or Distribution Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Distribution Provider'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.

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

13.5 Distribution Provider Authority.

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

Distribution Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Generating Facility or Interconnection Customer's Interconnection Facilities. Distribution Provider may, on the basis of technical considerations, require the Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Distribution Provider's operating instructions concerning Generating Facility real power and reactive power output within the manufacturer's design limitations of the 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. Distribution Provider may reduce Interconnection Service or disconnect the Generating Facility or 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 Distribution Provider can schedule the reduction or disconnection in advance, Distribution Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Distribution Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Distribution Provider. 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 Generating Facility, the Interconnection Facilities, and the Distribution System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice and the GIA and the GIP, Interconnection Customer may take actions or inactions with regard to the Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Generating Facility or 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 Distribution System and Distribution Provider's Interconnection Facilities. Distribution Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability. Neither Party shall be liable to the other 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 GIA 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 GIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, 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 GIA 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 GIA 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 GIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this GIA by giving five (5) Business Days written notice prior to the effective date of the change.

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

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

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party 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. Uncontrollable Force

16.1 Uncontrollable Force.

16.1.1 Economic hardship is not considered an Uncontrollable Force event.

16.1.2 Neither 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 Uncontrollable

Force. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of an Uncontrollable Force shall give notice and the full particulars of such Uncontrollable Force 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 Uncontrollable Force, the time and date when the Uncontrollable Force occurred and when the Uncontrollable Force 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 an Uncontrollable Force as defined in this GIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party 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 non-breaching Party shall have the right to declare a Default and terminate this GIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this GIA, 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 GIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations

under this GIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person 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 Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

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

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

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any

judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

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

18.3 Insurance. As indicated below, the designated Party shall, at its own expense, maintain in force throughout the period of this GIA, and until released by the other Party, 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:

18.3.1 Workers' Compensation Insurance and Employers' Liability. The Distribution Provider and the Interconnection Customer shall maintain such coverage from the commencement of any Construction Activities providing statutory benefits for workers compensation coverage and coverage amounts of no less than one million dollars (\$1,000,000) for employer's liability for each employee for bodily injury by accident and one million dollars (\$1,000,000) for each employee for bodily injury by disease in accordance with the laws and regulations of the state in which the Point of Interconnection is located. The Distribution Provider shall provide the Interconnection Customer with evidence of such insurance coverage within thirty (30) Calendar Days of any request by the Interconnection Customer. The Interconnection Customer and contractor or any other person acting on Interconnection Customer's behalf shall provide evidence of such insurance thirty (30) Calendar Days prior to entry by any employee or contractor or other person acting on the Interconnection Customer's behalf onto any construction site to perform any work related to the Interconnection Facilities or Generating Facility.

18.3.2 Commercial General Liability Insurance. The Distribution Provider and the Interconnection Customer shall maintain commercial general liability insurance coverage commencing within thirty (30) Calendar Days of the Effective Date of this GIA, including coverage for premises and operations, bodily injury (including death), personal injury, property damage, products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, and (i) liability of Distribution Provider and the Interconnection Customer that would be imposed without the GIA, or (ii) liability assumed by the Distribution Provider and the Interconnection Customer in a contract or agreement that is an "insured contract" under commercial general

liability insurance policy. Such insurance shall include no cross liability exclusions or separation of insured clause endorsement exclusions, with minimum limits of one million dollars (\$1,000,000) per occurrence/one million dollars (\$1,000,000) aggregate. If the activities of the Interconnection Customer are being conducted through the actions of an Affiliate, then the Interconnection Customer may satisfy the insurance requirements of this Article 18.3.2 by providing evidence of insurance coverage carried by such Affiliate and showing the Distribution Provider as an additional insured only with respect to the GIA, together with the Interconnection Customer's written representation to the Distribution Provider that the insured Affiliate is conducting all of the necessary pre-construction work. Within thirty (30) Calendar Days prior to the entry of any person on behalf of the Interconnection Customer onto any construction site to perform work related to the Interconnection Facilities or Generating Facility, the Interconnection Customer shall replace any evidence of Affiliate insurance with evidence of such insurance carried by the Interconnection Customer, naming the Distribution Provider as additional insured only with respect to the GIA.

18.3.3 Business Automobile Liability Insurance. Prior to the entry of any vehicles on any construction site in connection with work done by or on behalf of the Interconnection Customer, the Interconnection Customer shall provide evidence of 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. The Interconnection Customer shall include the Distribution Provider as an additional insured with respect to the GIA on any such policies.

18.3.4 Excess Liability Insurance. Commencing at the time of entry of any person on its behalf upon any construction site for the Distribution Upgrades, Interconnection Facilities, or Generating Facility, the Distribution Provider and the Interconnection Customer shall maintain excess liability insurance over and above the Employers' Liability, Commercial General Liability, and Business Automobile Liability Insurance coverage, with a minimum limit of one million dollars per MW, of Generating Facility capacity, rounded up to the nearest MW, per occurrence, up to a maximum of twenty million dollars (\$20,000,000) per occurrence/twenty million dollars (\$20,000,000) aggregate. Such insurance carried by the Distribution Provider shall include the Interconnection Customer as an additional insured with respect to the GIA, and such insurance carried by the Interconnection Customer shall include the Distribution Provider as an additional insured with respect to the GIA. The requirements of Article 18.3.2 and 18.3.4 may be met by any combination of general and excess liability insurance.

18.3.5 The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies shall include the other Party identified in the articles above, its parent, their subsidiaries, 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 GIA against the Other Party Group. If any Party can reasonably demonstrate that coverage policies containing provisions for insurer waiver of subrogation rights, or advance notice are not commercially available, then the Parties shall meet and confer and mutually determine to (i) establish replacement or equivalent terms in lieu of subrogation or notice or (ii) waive the requirements that coverage(s) include such subrogation provision or require advance written notice from such insurers.

- 18.3.6** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies shall contain provisions that specify that the policies are primary and non-contributory. Each Party shall be responsible for its respective deductibles or self-insured retentions.
- 18.3.7** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess 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 GIA, which coverage may be in the form of extended reporting period coverage if agreed by the Parties.
- 18.3.8** [Not Used.]
- 18.3.9** Thirty (30) Calendar Days prior to the start of any work at the construction site related to Interconnection Facilities or Generating Facility under this GIA, 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 a certificate of insurance for all insurance required in this GIA, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** Notwithstanding the foregoing, each Party may self-insure (a) to meet the minimum insurance requirements of Article 18.3.1, to the extent that it maintains a self-insurance program and is a qualified self-insurer within the state in which the Point of Interconnection is located, under the laws and regulations of such state; and (b) to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.9 to the extent it maintains a self-insurance program; provided that, such Party is organized under the laws of the United States or a political subdivision thereof and such Party's rating for its senior unsecured, long-term debt (not supported by third party credit enhancements) or if such Party does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such Party by Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor ("S&P") or Moody's Investor Services, Inc. or its successor ("Moody's") is (i) if rated by S&P and Moody's is rated at least "BBB-" by S&P and "Baa3" by Moody's, or (ii) if rated by only one of S&P or Moody's, rated at least "BBB-" by S&P or "Baa3" by Moody's, and (iii) that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.9. For any period of time that a Party's senior unsecured, long-term debt is

unrated by S&P or Moody's, or its unsecured long-term debt or the rating assigned to such Party does not meet the requirements in (i) or (ii), 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 Party 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 greater than \$25,000, including within the scope of coverage of such insurance whether or not such coverage is sought.

Article 19. Assignment

19.1 Assignment. This GIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this GIA 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 GIA; and provided further that Interconnection Customer shall have the right to assign this GIA, without the consent of Distribution Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Interconnection Customer will promptly notify Distribution Provider of any such assignment. Any financing arrangement entered into by 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 Distribution Provider of the date and particulars of any such exercise of assignment right(s), including providing the Distribution Provider 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 GIA 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 GIA 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 GIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Distribution Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

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

Article 22. Confidentiality

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

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

If requested by either Party, the other Party 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 GIA, and for a period of three (3) years after the expiration or termination of this GIA, 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 GIA; or (6) is required, in accordance with Article 22.1.7 of the GIA, 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 GIA. Information designated as Confidential Information will no longer be deemed confidential if

the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

- 22.1.3 Release of Confidential Information.** Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this GIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.
- 22.1.4 Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 22.1.5 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this GIA or its regulatory requirements.
- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this GIA. 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 GIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party 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 CFR 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 GIA, 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 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this GIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the GIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR 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, any information that a Party claims is competitively sensitive, commercial or financial information under this GIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be

required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this GIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other 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 Party, 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 Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

24.1 Information Acquisition. Distribution Provider and 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 Distribution Provider. The initial information submission by Distribution Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Distribution System and Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Distribution Provider shall provide Interconnection Customer a status report on the construction and installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, 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 Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Generating Facility data requirements contained in Appendix 1 to the GIP. It shall also include any additional information provided to Distribution Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Distribution Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Distribution Provider pursuant to the Interconnection Study Agreement between Distribution Provider and Interconnection Customer, then Distribution Provider will conduct appropriate studies to determine the impact on Distribution Provider Distribution System and Transmission System 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.

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" Generating Facility 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 Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Generating Facility to verify proper operation of the Generating Facility's automatic voltage regulator.

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

Subsequent to the Commercial Operation Date, Interconnection Customer shall provide Distribution Provider any information changes due to equipment replacement, repair, or adjustment. Distribution Provider shall provide Interconnection Customer any

information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Distribution Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

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 GIA; and (ii) carry out its obligations and responsibilities under this GIA. 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 GIA.
- 25.2 Reporting of Non-Uncontrollable Force Events.** Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this GIA for a reason other than an Uncontrollable Force 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 GIA.
- 25.3 Audit Rights.** Subject to the requirements of confidentiality under Article 22 of this GIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this GIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Distribution Provider's efforts to allocate responsibility for interruption or reduction of generation on the Distribution System, and each Party's actions in an Emergency Condition. 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 Party's performance and satisfaction of obligations under this GIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.
- 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades shall be subject to audit for a period of

twenty-four months following Distribution Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this GIA 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.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, 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.

Article 26. Subcontractors

26.1 General. Nothing in this GIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this GIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this GIA 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 GIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Distribution Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this GIA. Any applicable obligation imposed by this GIA 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

27.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this GIA 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 GIA.

27.2 External Arbitration Procedures. Any arbitration initiated under this GIA 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 GIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, Distribution Upgrades, 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 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 GIA 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 GIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this GIA, to become a Party hereto and to perform its obligations hereunder. This GIA 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 GIA 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 GIA 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 GIA, and it will provide to any Governmental Authority notice of any actions under this GIA that are required by Applicable Laws and Regulations.

Article 29. [Reserved]

Article 30. Miscellaneous

30.1 Binding Effect. This GIA 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 GIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this GIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This GIA, 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 GIA, 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 GIA), 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 GIA or such Appendix to this GIA, or such Section to the GIP or such Appendix to the GIP, as the case may be; (6) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this GIA 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 GIA, 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 GIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this GIA.

30.5 No Third Party Beneficiaries. This GIA 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 GIA to insist, on any occasion, upon strict performance of any provision of this GIA 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 GIA 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 GIA. Termination or Default of this GIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Distribution Provider. Any waiver of this GIA shall, if requested, be provided in writing.

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

30.8 Multiple Counterparts. This GIA 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 GIA by a written instrument duly executed by the Parties.

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

30.11 Reservation of Rights. Distribution Provider shall have the right to make a unilateral filing with FERC to modify this GIA 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 GIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this GIA 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 GIA 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 either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

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

[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____

Name: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Name: _____

Title: _____

Date: _____

Appendix A to GIA

Description of Interconnection Facilities, Network Upgrades, Distribution Upgrades, Costs and Financial Security

Additional Definitions:

1. Interconnection Facilities:

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

(b) [insert Distribution Provider's Interconnection Facilities]:

2. Network Upgrades:

(a) [insert Stand Alone Network Upgrades]:

(b) [insert Other Network Upgrades]:

3. Distribution Upgrades:

4. Point of Change of Ownership, Point of Interconnection and One-Line Diagram of Interconnection:

5. Cost of Interconnection Facilities, Distribution Upgrades and Network Upgrades, Payment Schedule, On-Going Monthly Charges and Financial Security:

Appendix B to GIA

Milestones

Appendix C to GIA
Interconnection Details

Appendix D to GIA

Security Arrangements Details

Infrastructure security of Distribution System and Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Distribution System reliability and operational security. FERC will expect the ISO, all transmission providers, market participants, and interconnection customers interconnected to the Distribution System and Transmission System 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.

Appendix E to GIA
Commercial Operation Date

This Appendix E is a part of the GIA between Distribution Provider and Interconnection Customer.

[Date]

[Distribution Provider Address]

Re: _____ Generating Facility

Dear _____:

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

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F to GIA

Addresses for Delivery of Notices and Billings

Notices:

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

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

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Appendix G to GIA

Interconnection Customer's Share of Costs of Network Upgrades for Applicable Project Group

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Appendix 7 to GIP, Appendix 7 Generator Interconnection Agreement FTP, 5.0.0, A

Record Narrative Name: Appendix 7 Generator Interconnection Agreement Fast Track Process

Tariff Record ID: 105

Tariff Record Collation Value: 1333112 Tariff Record Parent Identifier: 98

Proposed Date: 2018-05-30

Priority Order: 20

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

APPENDIX 7 to GIP

GENERATOR INTERCONNECTION AGREEMENT (GIA) FOR A GENERATING FACILITY INTERCONNECTING UNDER THE FAST TRACK PROCESS

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[Attachment 1](#) – Glossary of Terms

[Attachment 2](#) – Description and Costs of the Generating Facility, Interconnection Facilities, and Metering Equipment

[Attachment 3](#) – One-line Diagram Depicting the Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

[Attachment 4](#) – Milestones

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[Attachment 6](#) – Distribution Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

This Interconnection Agreement ("Agreement" or "GIA") is made and entered into _____, by _____ ("Distribution Provider"), and _____ ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

Distribution Provider Information

Distribution Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ E-mail: _____

Interconnection Customer Information

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ E-mail: _____

Interconnection Customer Application No: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

- 1.1 This Agreement shall be used for all Interconnection Requests submitted under the Fast Track Process of the Generator Interconnection Procedures (GIP) contained in Section 6 of Attachment I to the Tariff.
- 1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Generating Facility will interconnect with, and operate in parallel with, the Distribution Provider's Distribution System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between the Distribution Provider and the Interconnection Customer.

1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 The Distribution Provider shall construct, operate, and maintain its Distribution System, Transmission System, Interconnection Facilities, Distribution Upgrades and Network Upgrades in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Distribution Provider and any Affected Systems. The Interconnection Customer shall comply with the Distribution Provider's Interconnection Handbook. In the event of a conflict between the terms of this GIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this GIA shall govern.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership unless otherwise specified in the Attachments to this Agreement. The Distribution Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Distribution Provider's Transmission System, Distribution System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.
- 1.5.6 The Distribution Provider shall coordinate with Affected Systems to support the interconnection.

1.5.7 The Interconnection Customer shall ensure “frequency ride through” capability and “voltage ride through” capability of its Generating Facility. The Interconnection Customer shall enable these capabilities such that its Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Distribution Provider and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to article 2.1 of this Agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the control area on a comparable basis.

1.6 Parallel Operation Obligations

Once the Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for the Distribution Provider's Distribution System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Distribution Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. The Interconnection Customer shall design its Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established different requirements that apply to all similarly situated synchronous generators in the control area on a comparable basis.

1.8.1.2 Non-Synchronous Generation. The Interconnection Customer shall design its Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation, or equivalent location when there is not a generator substation, at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established a different power factor range that applies to all similarly situated

non-synchronous generators in the control area on a comparable basis. This power factor range standard shall be dynamic and can be met 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. This requirement shall only apply to newly interconnecting non-synchronous generators that have not executed a GIA, or requested the filing of an unexecuted GIA, as of the effective date of the Final Rule establishing this requirement (Order No. 827).

- 1.8.2 Payment to the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Generating Facility when the ISO or, at the direction of the ISO, the Distribution Provider requests the Interconnection Customer to operate its Generating Facility outside the range specified in article 1.8.1 will be made by the ISO in accordance with the applicable provisions of the ISO Tariff.
- 1.8.3 Payment to the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Generating Facility when, in response to a emergency on the Distribution System, the Distribution Provider requests the Interconnection Customer to operate its Generating Facility outside the range specified in article 1.8.1 shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced. In addition, if the Distribution Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.
- 1.9 Limitations on Charging for Storage. Generating Facilities that include storage may be subject to limits on the amount of Charging Capacity, the times during which the storage component may charge from the Distribution System, or other limitations on Charging Demand as specified in Attachment 5 of the GIA.
- 1.10 When used in this Agreement, terms with initial capitalization that are not defined in the Glossary of Terms in Attachment 1 shall have the meanings specified in the article in which they are used or in the Tariff.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

- 2.1.1 The Interconnection Customer shall test and inspect its Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Distribution Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Distribution Provider may, at its own expense, send qualified personnel to the Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Distribution Provider a written test report when such testing and inspection is completed.
- 2.1.2 The Distribution Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Distribution Provider of the safety, durability, suitability, or reliability of the Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

- 2.2.1 The Distribution Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Distribution Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Distribution Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.
- 2.2.2 The Interconnection Customer shall not operate its Generating Facility in parallel with the Distribution Provider's Distribution System without prior written authorization of the Distribution Provider. The Distribution Provider will provide such authorization once the Distribution Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

- 2.3.1 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 construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i)

interconnect the Generating Facility with the Distribution System; (ii) operate and maintain the Generating Facility, the Interconnection Facilities and the Distribution System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this GIA. 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.

2.3.2 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Distribution Provider shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of _____ years from the Effective Date (term specified in individual agreements to be ten (10) years or such other longer period as the Interconnection Customer may request) and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

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 Agreement (if required), which notice has been accepted for filing by FERC.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Distribution Provider 20 Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Generating Facility will be disconnected from the Distribution Provider's Distribution 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 GIA or such non-terminating Party otherwise is responsible for these costs under this GIA.

3.3.4 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions -- "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 Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Distribution System, the Distribution Provider's Interconnection Facilities or any Affected Systems(s); or (3) 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 the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Distribution Provider may immediately suspend interconnection service and temporarily disconnect the Generating Facility. The Distribution Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Generating Facility. The Interconnection Customer shall notify the Distribution Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Distribution Provider's Distribution System or any Affected Systems. 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 both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Distribution Provider may interrupt interconnection service or curtail the output or Charging Demand of the Generating Facility and temporarily disconnect the Generating Facility from the Distribution Provider's Distribution System when necessary for routine maintenance, construction, and repairs on the Distribution Provider's Distribution System and/or Transmission System. The Distribution Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Distribution Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the Distribution Provider may suspend interconnection

service to effect immediate repairs on the Distribution Provider's Distribution System and/or Transmission System. The Distribution Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Distribution Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Distribution Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Generating Facility could cause damage to the Distribution Provider's Distribution System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect, including reduction of the Charging Demand as directed by the Distribution Provider, within a reasonable time, the Distribution Provider may disconnect the Generating Facility. The Distribution Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Generating Facility

The Interconnection Customer must receive written authorization from the Distribution Provider before making any change to the Generating Facility that may have a material impact on the safety or reliability of the Distribution System and/or the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Distribution Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Generating Facility, Interconnection Facilities, and the Distribution Provider's Distribution System and/or Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Distribution Provider shall provide a best estimate cost, including overheads, for the purchase and

construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Distribution Provider.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Distribution Provider's Interconnection Facilities.

4.2 Distribution Upgrades

The Distribution Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer or as specified in the Attachments to this Agreement. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Distribution Provider or the Distribution Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Distribution Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.2.1 Repayment of Amounts Advanced for Network Upgrades

The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Distribution Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Distribution Provider's Tariff and Affected System's Tariff for transmission services with respect to the Generating Facility. 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 pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the Distribution Provider, and any applicable Affected System operators may adopt any alternative payment schedule that is mutually agreeable so long as the Distribution Provider and said Affected System operators take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Distribution Provider or any applicable Affected System operators will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

5.2.1.2 If the Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Distribution Provider and Affected System operator shall at that time reimburse the 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.

5.3 Special Provisions for Affected Systems

Unless the Distribution Provider provides, under this Agreement, for the repayment of amounts advanced to any applicable Affected System operators for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, 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 Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Distribution Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within six (6) months of completing the construction and installation of the Distribution Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Distribution Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Distribution Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Distribution Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Distribution Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Distribution Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Uncontrollable Force Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Distribution Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Distribution Provider, 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 Distribution Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Distribution Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Distribution Provider under this Agreement during its term. In addition:

- 6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Distribution Provider, 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.
- 6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Distribution Provider and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Uncontrollable Force, Consequential Damages, and Default

7.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

- 7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Distribution Provider of any such assignment;
- 7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Distribution Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that the Interconnection Customer will promptly notify the Distribution Provider of any such assignment.
- 7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as

the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

- 7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.
- 7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person 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.
- 7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.
- 7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Uncontrollable Force

7.5.1 As used in this article, an Uncontrollable Force Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force Event does not include an act of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force."

7.5.2 If an Uncontrollable Force Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Uncontrollable Force Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Uncontrollable Force Event. The notification must specify in reasonable detail the circumstances of the Uncontrollable Force Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Uncontrollable Force Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Uncontrollable Force Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of an Uncontrollable Force Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure

such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

- 7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

- 8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Distribution Provider, except that the Interconnection Customer shall show proof of insurance to the Distribution Provider no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2 The Distribution Provider agrees to maintain general liability insurance or self-insurance consistent with the Distribution Provider's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Distribution Provider's liabilities undertaken pursuant to this Agreement.
- 8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
- 9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
- 9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, 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 Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 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.

Article 10. Disputes

- 10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice

of Dispute. Such Notice shall describe in detail the nature of the dispute.

- 10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 11. Taxes

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Distribution Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

- 12.1 Governing Law, Regulatory Authority, and Rules
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 12.2 Amendment
The Parties may amend this Agreement by a written instrument duly executed by both Parties, or under article 12.12 of this Agreement.
- 12.3 No Third-Party Beneficiaries
This Agreement is not intended to and does not create rights, remedies, or benefits of any

character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

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

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

12.5 Entire Agreement

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

12.6 Multiple Counterparts

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

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all transmission providers, market participants, and interconnection customers interconnected to electric systems 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 are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, 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 Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

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

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Distribution Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

The Distribution Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national carrier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ E-mail: _____

If to the Distribution Provider:

Distribution Provider: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ E-mail: _____

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____

Distribution Provider: _____
 Attention: _____

Address: _____
City: _____ State: _____ Zip: _____

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ E-mail: _____

If to the Distribution Provider:

Distribution Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ E-mail: _____

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ E-mail: _____

Distribution Provider's Operating Representative:

Distribution Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ E-mail: _____

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Distribution Provider

Name: _____

Title: _____

Date: _____

For the Interconnection Customer

Name: _____

Title: _____

Date: _____

Attachment 1**Glossary of Terms**

Affected System – An electric system other than the Distribution Provider's Distribution System that may be affected by the proposed interconnection, including but not limited to the Transmission System.

Annual Tax Security Reassessment – The annual reassessment of the current tax liability in accordance with the directives of FERC Orders 2003-A and 2003-B, which will commence the first year after Interconnection Customer's in-service date.

Applicable Laws and Regulations – 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 – The reliability council applicable to the Distribution System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards – The requirements and guidelines of NERC, the Applicable Reliability Council, and the control area of the Distribution System to which the Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.

Business Day – Monday through Friday, excluding Federal Holidays.

Charging Capacity – The capacity provided under the GIA to meet the Charging Demand of a Generating Facility that includes storage, subject to available capacity on the Distribution System and any operating conditions and/or limitations as may be set forth in Attachment 5 of the GIA.

Charging Demand – The flow of wholesale electric energy from the Distribution System solely to charge the storage component of the Generating Facility from the Distribution System for later redelivery of such energy, net of Generating Facility losses, to the Distribution System. Charging Demand does not include the delivery of energy for purposes that are subject to the Distribution Provider's retail tariff.

Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities – As defined in Attachment J of the Tariff. The currently effective Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities is as provided in Attachment J of the Tariff.

Default – The failure of a breaching Party to cure its breach under the Generator Interconnection Agreement.

Distribution Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the

Generator Interconnection Agreement to the extent necessary.

Distribution Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Distribution Provider should be read to include the Distribution Owner when the Distribution Owner is separate from the Distribution Provider.

Distribution System – Those non-ISO transmission and distribution facilities, owned, controlled and operated by the Distribution Provider that are used to provide distribution service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Distribution Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Distribution Upgrades Charge – The monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Distribution Upgrades, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Distribution Upgrades Cost. The Distribution Upgrades Charge is provided in Attachment 2 to the GIA.

Distribution Upgrades Completion Date – The date upon which the construction of the Distribution Upgrades is complete and such facilities are successfully tested and ready for service.

Distribution Upgrades Cost – The Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Upgrades. The Distribution Upgrades Cost is provided in Attachment 2 to the GIA.

Fast Track Process – The interconnection study process set forth in Section 6 of the Generator Interconnection Procedures for a proposed certified Generating Facility that is no larger than 2 MW and that meets the codes, standards, and certification requirements of Appendices 8 and 9 of the Generator Interconnection Procedures, or the Distribution Provider has review the design or tested the proposed Generating Facility and is satisfied that it is safe to operate.

Generating Facility – The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request being interconnected under the Fast Track Process, but shall not include the Interconnection Customer's Interconnection Facilities.

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

Governmental Authority – 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, the Distribution Provider, or any affiliate thereof.

Interconnection Customer – Any entity, including the Distribution Provider, Distribution Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Distribution Provider's Distribution System.

Interconnection Facilities – The Distribution Provider'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 Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Facilities Charge – The monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate for Non-ISO-Controlled Facilities and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Attachment 2 to the GIA.

Interconnection Facilities Completion Date – The date upon which the construction of the Distribution Provider's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.

Interconnection Facilities Cost – All costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Provider's Interconnection Facilities. The Interconnection Facilities Cost is provided in Attachment 2 to the GIA.

Interconnection Handbook - A handbook, developed by the Distribution Provider and posted

on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. In the event of a conflict between the terms of this GIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this GIA shall govern.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Distribution Provider's Distribution System.

ISO Tariff – The California Independent System Operator Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time, and accepted by FERC.

ITCC (Income Tax Component of Contribution) – As defined in Attachment J of the Tariff.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request, or any other valid interconnection request to the Distribution Provider or the ISO, with a later queue priority date.

NERC – The North American Electric Reliability Corporation or its successor organization.

Network Upgrades – Additions, modifications, and upgrades to the Distribution Provider's Transmission System required at or beyond the point at which the Distribution System connects to the Distribution Provider's Transmission System to accommodate the interconnection of the Generating Facility to the Distribution Provider's Distribution System. Network Upgrades do not include Distribution Upgrades.

Network Upgrades Cost – The Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Network Upgrades. The Network Upgrades Cost is provided in Attachment 2 to the GIA.

One-Time Cost – All costs determined by the Distribution Provider to be associated with the installation of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades which are not capitalized. The One-Time Cost is provided in Attachment 2 to the GIA.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, the California Independent System Operator Corporation, control area, or the Distribution Provider's requirements, including those set forth in the Generator Interconnection Agreement.

Party or Parties – The Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Distribution Provider's Distribution System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Generator Interconnection Agreement, 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.

Remedial Action Scheme (RAS) – A scheme designed to detect predetermined system conditions and automatically take corrective actions that may include, but are not limited to, adjusting or tripping generation.

Tariff – The Wholesale Distribution Access Tariff, the Distribution Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

Tax Security – The Interconnection Customer's provision of security with respect to the Interconnection Customer's tax indemnification obligations. The Tax Security is provided in Attachment 2 to the GIA.

Transmission System – Those facilities owned by the Distribution Provider that have been placed under the ISO's operational control and are part of the ISO Grid.

Upgrades – The required additions and modifications to the Distribution Provider's Distribution System and Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Attachment 2

**Description and Costs of the Generating Facility,
Interconnection Facilities, and Metering Equipment**

Equipment, including the Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Distribution Provider, or the Distribution Owner. The Distribution Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Attachment 3

**One-line Diagram Depicting the Generating Facility, Interconnection
Facilities, Metering Equipment, and Upgrades**

Attachment 4

Milestones

In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

Item	Milestone	Responsible Party	Due Date
(a)	_____	_____	_____
(b)	_____	_____	_____
(c)	_____	_____	_____
(d)	_____	_____	_____
(e)	_____	_____	_____
(f)	_____	_____	_____
(g)	_____	_____	_____
(h)	_____	_____	_____
(i)	_____	_____	_____
(j)	_____	_____	_____

Agreed to by:

For the Distribution Provider _____ Date _____

For the Distribution Owner (If Applicable) _____ Date _____

For the Interconnection Customer _____ Date _____

Attachment 5

**Additional Operating Requirements for the Distribution Provider's
Distribution System and Affected Systems Needed to Support
the Interconnection Customer's Needs**

The Distribution Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Distribution Provider's Distribution System.

Attachment 6

**Distribution Provider's Description of its Upgrades
and Best Estimate of Upgrade Costs**

The Distribution Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Distribution Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

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Document Content(s)

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