

ATTACHMENT I: Generator Interconnection Procedures (GIP)

Section 1. Application

1.1 Applicability

- 1.1.1 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. A request to interconnect a certified Generating Facility (See Attachments 3 and 4 for description of certification criteria) no larger than 5 MW (up to 3 MW for a 21kV interconnection, and up to 2MW on a 12kV interconnection) shall be evaluated under the Section 2 Fast Track Process. A request to interconnect a certified inverter-based Generating Facility no larger than 10 kW shall be evaluated under the Attachment 5 10 kW Inverter Process. A request to interconnect a Generating Facility larger than 5 MW or a Generating Facility that does not pass the Fast Track Process or the 10 kW Inverter Process, shall be screened for inclusion under the section 3 Independent Study Process. A request to interconnect a Generating Facility that does not qualify for inclusion in either the Fast Track Process, the 10kW inverter process or the Independent Study Process shall be evaluated under the section 4 Cluster Study Process.
- 1.1.2 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.
- 1.1.4 Prior to submitting its Interconnection Request (Attachment 2), the Interconnection Customer may ask the Distribution Provider's interconnection contact employee or office whether the proposed interconnection is subject to these procedures. The Distribution Provider shall respond within fifteen (15) Business Days.
- 1.1.5 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational

security. The Federal Energy Regulatory Commission expects all Distribution and Transmission Providers, market participants, and Interconnection Customers interconnected with electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

- 1.1.6 References in these procedures to “interconnection agreement” or GIA are to the Small Generator Interconnection Agreement (SGIA) unless the proposed interconnection is for a generating facility larger than 20 MW, in which case references to interconnection agreement are to the Large Generator Interconnection Agreement (LGIA).

1.2 Pre-Application

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.

1.3 Interconnection Request

The Interconnection Customer shall submit its Interconnection Request (Attachment 2 to this GIP) to the Distribution Provider, together with the processing fee or deposit specified in the Interconnection Request. 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.

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.

1.4 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.

1.5 Site Exclusivity

Documentation of site exclusivity must be submitted with the Interconnection Request.

Site exclusivity may be demonstrated through:

1.5.1 Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility;

1.5.2 An option to purchase or acquire a leasehold site for such purpose; or

1.5.3 An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

1.6 Queue Position

The Distribution Provider shall assign a Queue Position based upon the date- and time-stamp of the Interconnection Request. The Queue Position of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. The Distribution Provider shall maintain a single queue. As specified in Section 1.1.1, Interconnection Requests may be studied serially or in clusters, depending on the characteristics of the interconnection request.

Section 2. Fast Track Process

2.1 Applicability

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 is no larger than 5 MW (up to 3 MW for a 21kV interconnection, and up to 2MW on a 12kV interconnection) and if the Interconnection Customer's proposed Generating Facility meets the codes, standards, and certification requirements of Attachments 3 and 4 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 MW limits in this paragraph are, however, advisory and not mandatory. The screens in section 2.2 provide the actual capacity limits for each Interconnection Request. All Generating Facilities interconnected under the Fast Track Process will have Energy Only deliverability status. Entities may apply for full capacity using the Additional Deliverability Assessment Options under Section 4.22.

2.2 Initial Review

Within fifteen (15) Business Days after the Distribution Provider notifies the Interconnection Customer it has received a complete Interconnection Request, 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.

2.2.1 Screens

2.2.1.1 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.

2.2.1.2 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.

2.2.1.3 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^{Fn 1/} to ensure continuous import of power. Under no condition shall the interconnection of a Generating Facility result in a backfeed of a spot network or cause unnecessary operation of any Spot Network protectors.

Fn. 1/ 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

2.2.1.4 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.

2.2.1.5 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 proposed for a circuit that already exceeds 87.5 % of the short circuit interrupting capability.

2.2.1.6 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 of Interconnection to Primary Distribution Line	Result/Criteria Type
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
------------------------	--	-------------

2.2.1.7 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.

2.2.1.8 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.

2.2.1.9 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).

2.2.1.10 No construction of facilities by the Distribution Provider on its own system shall be required to accommodate the Generating Facility.

2.2.2 If the proposed interconnection passes the screens, the Interconnection Request shall be approved and the Distribution Provider will provide the Interconnection Customer an executable interconnection agreement 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 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.

- 2.2.3 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 an executable interconnection agreement 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 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.

- 2.2.4 If the proposed interconnection fails the screens, but 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 modifications or further study, the Distribution Provider shall provide the Interconnection Customer with the opportunity to attend a customer options meeting.

2.3 Customer Options Meeting

If the Distribution Provider determines the Interconnection Request cannot be approved without minor modifications at minimal cost; or a supplemental study or other additional studies or actions; or at significant cost to address safety, reliability, or power quality problems, within the five Business Day period after the determination, the Distribution Provider shall notify the Interconnection Customer 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:

- 2.3.1 Offer to perform facility modifications or minor modifications to the Distribution Provider's electric system (e.g., changing meters, fuses, relay settings) and provide a non-binding good faith estimate of the limited cost to make such modifications to the Distribution Provider's electric system; or
- 2.3.2 Offer to perform a supplemental review if the Distribution Provider concludes that the supplemental review might determine that the Generating Facility could continue to qualify for interconnection pursuant to the Fast Track Process, and provide a non-binding good faith estimate of the costs of such review; or
- 2.3.3 If the proposed interconnection fails the screens due to Screen 2.2.1.10, and no Distribution Upgrades or Network Upgrades are required (i.e., only

interconnection facilities are required), then the Interconnection Customer shall have the option to move into the Independent Study Process, or Cluster Study Process, as applicable, or move forward to Supplemental Review.

- 2.3.4 If the proposed interconnection fails the screens due to Screen 2.2.1.10, and Distribution Upgrades or Network Upgrades are required, then the Interconnection Customer will be required to move into the Independent Study Process, or Cluster Study Process, as applicable to specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to interconnect the Generating Facility consistent with safety, reliability, and power quality standards.

2.4 Supplemental Review

If the Interconnection Customer agrees to a supplemental review, the Interconnection Customer shall agree in writing within fifteen (15) Business Days of the offer, and submit a deposit for the estimated costs. 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.

- 2.4.1 Within ten (10) Business Days following receipt of the deposit for a supplemental review, the Distribution Provider will determine if the Generating Facility can be interconnected safely and reliably.

2.4.1.1 If so, including if 1) Interconnection Customer facility modifications are required or 2) minor modifications to the Distribution Provider's electric system are required to allow the Generating Facility to be interconnected consistent with safety, reliability, and power quality standards under these procedures, the Interconnection Customer may opt for the Distribution Provider to perform a Facilities Study to specify and estimate the cost of

the equipment, engineering, procurement and construction work (including overheads) needed to interconnect the Generating Facility consistent with safety, reliability, and power quality standards. The Interconnection Customer may forgo this Facilities Study and move directly to an Interconnection Agreement if it agrees in writing to be responsible for all actual costs of all required facilities deemed necessary by the Distribution Provider.

If the Interconnection Customer chooses to forgo the Facilities Study, the Distribution Provider shall forward an executable interconnection agreement to the Interconnection Customer within fifteen (15) Business Days.

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 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.

2.4.1.2 If not, the Interconnection Request may continue to be evaluated under the section 3 Independent Study Process or section 4 Cluster Process, unless the Interconnection Customer wishes to withdraw its Interconnection Request, which decision shall be made in writing within fifteen (15)

Business Days of Distribution Provider's notification of such determination.

Section 3. Independent Study Process

3.1 Applicability

The Independent Study Process shall be used by an Interconnection Customer proposing to interconnect its Generating Facility with the Distribution Provider's Distribution System if the Generating Facility (1) is not certified, or (2) is certified but did not pass the Fast Track Process or the 10 kW Inverter Process, and passes the electrical independence screen to qualify for the Independent Study Process.

3.1.1 Independent Study Process Screen

To qualify for inclusion under the Independent Study Process, an Interconnection Customer must pass the electrical independence screen:

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.

3.1.1.1 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 in consultation with the ISO, to require or contribute to the need for Network Upgrades, Distribution Provider will request that the ISO perform the incremental power flow, and aggregate power flow, tests as set forth in Section 4.2 of Appendix Y to the ISO Tariff, or any successor provision. If the Interconnection Request does not pass the ISO's incremental power flow, aggregate power flow, and short-circuit duty tests, 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, 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 Section 3.1.1.2.

3.1.1.2 The Distribution Provider 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 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 related to earlier-queued Generating Facilities that have yet to complete their Interconnection System Impact Study or Phase I Interconnection Study, then it fails the evaluation of electrical independence for the Distribution System.

3.1.1.3 The Distribution Provider will inform an Interconnection Customer whether it has satisfied the requirements set forth in Section 3.1.1 within twenty (20) Business Days from deeming the Interconnection Request complete. Any Interconnection Request that does not satisfy the criteria set forth in Section 3.1.1 shall be deemed withdrawn, without prejudice of the Interconnection Customer submitting a new Interconnection Request into a later Cluster Application Window, unless the Interconnection Customer notifies the Distribution Provider in writing within ten (10) Business Days of the notification of failure of the Electrical Independence Test that it wishes the Distribution Provider to hold the Interconnection Request for inclusion in the next available Cluster Application Window.

An Interconnection Request that fails the Electrical Independence Test, including either the ISO test for independence under GIP Section 3.1.1.1 or the Distribution Provider test for independence under Section 3.1.1.2, will be required to wait until the next Cluster Window, or twelve (12) months from the date the Interconnection Customer was informed of the failure of the Electrical Independence Test to resubmit an Interconnection Request within a similar Point of Interconnection, unless all of the relevant System Impact and/or Phase I Interconnection Studies have completed for the queued-ahead Generating Facilities that were the cause of the Interconnection Request failing the Section 3.1.1.2 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.

3.2 Processing of Interconnection Request

3.2.1 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, including requested deliverability status, preferred Point of Interconnection and voltage level, and all other technical data; and (iii) demonstration of Site Exclusivity. The demonstration of Site Exclusivity, at a minimum, must be through the Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility.

3.2.1.1 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 8.1 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 FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

- (b) Should an Interconnection Request made under GIP Section 3.2.1 be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 8.1 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 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 FERC'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 8.1 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 nonrefundable.

- (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 FERC'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 ISO Tariff Section 37.9.4., or any successor tariff.

3.3 Scoping Meeting

- 3.3.1 A Scoping Meeting will be scheduled within ten (10) Business Days after the Interconnection Request is deemed complete and is deemed to have passed the

electrical independence screen, or as otherwise mutually agreed to by the Parties. The Distribution Provider and the Interconnection Customer will bring to the meeting personnel, including system engineers and other resources as may be reasonably required to accomplish the purpose of the meeting.

- 3.3.2 The purpose of the Scoping Meeting is to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The Parties shall further discuss whether the Distribution Provider should perform a system impact study, or proceed directly to a facilities study, or an interconnection agreement. If the Parties agree that an Interconnection System Impact Study should be performed, the Distribution Provider shall provide the Interconnection Customer, as soon as possible, but not later than fifteen (15) Business Days after the Scoping Meeting, an Interconnection System impact Study agreement (Attachment 7) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.
- 3.3.3 The Scoping Meeting may be omitted by mutual agreement. Within five (5) Business Days following the Scoping Meeting, or after the Interconnection Request has been deemed complete if Scoping Meeting is omitted, the Interconnection Customer shall designate the Point of Interconnection for the Interconnection System Impact Study. The Distribution Provider shall provide the Interconnection Customer, no later than fifteen (15) Business Days after the Scoping Meeting or after the Interconnection Request has been deemed complete if Scoping Meeting is omitted, a system impact study agreement including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study. In order to remain in consideration for interconnection, an Interconnection Customer must return the executed system impact study (Attachment 7) agreement within thirty (30) Business Days after the Distribution Provider provides the Interconnection Customer with the Interconnection System Impact Study agreement. In the case where one or both Interconnection Studies

are determined to be unnecessary, a notice of the fact shall be transmitted to the Interconnection Customer within the same timeframe.

3.4 Request for Full Capacity Deliverability Under The Independent Study Process

Unless specified otherwise in the Interconnection Request, Generating Facilities 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 in its Interconnection Request for the Independent Study Process, the Generating Facility will initially be studied in the Independent Study Process as Energy-Only Deliverability Status. The Deliverability Assessment for Interconnection Requests in the Independent Study Process that request Full Capacity Deliverability Status will be performed in conjunction with the next available Cluster Study Process pursuant to Section 4.8.3.2 of this GIP, or as part of the additional Deliverability Assessment options as set forth in Section 4.22 of this GIP.

3.5 Interconnection System Impact Study

3.5.1 An Interconnection System Impact Study shall identify and detail the electric system impacts that would result if the proposed Generating Facility were interconnected without project modifications or electric system modifications or to study potential impacts, including but not limited to those identified in the Scoping Meeting. An Interconnection System Impact Study shall evaluate the impact of the proposed interconnection on the reliability of the electric system.

3.5.2 If potential electric power Distribution System Adverse System Impacts are identified in the Scoping Meeting, a system impact study must be performed. The Distribution Provider shall send the Interconnection Customer an Interconnection System Impact Study agreement within fifteen (15) Business Days following the Scoping Meeting including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

- 3.5.3 In order to remain under consideration for interconnection, the Interconnection Customer must return executed Interconnection System Impact Study agreements, if applicable, within thirty (30) Business Days.
- 3.5.4 The scope of and cost responsibilities for an Interconnection System Impact Study are described in the attached Interconnection System Impact Study agreement.
- 3.5.5 Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission-dependent utilities ("TDUs") – whether investor-owned or not – the Interconnection Customer may apply to the nearest transmission provider (transmission owner, regional transmission operator, or independent transmission provider) providing transmission service to the TDU to request project coordination. Affected Systems shall participate in the study and provide all information necessary to prepare the study.
- 3.5.6 Once the required Interconnection System Impact Study is completed, an Interconnection System Impact Study report shall be prepared and transmitted to the Interconnection Customer. 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. Within fifteen (15) Business Days of the transmittal of the system impact study report or, if applicable the system impact study results meeting, the Distribution Provider will provide an outline of the scope of the Interconnection Facilities Study and a non-binding good faith estimate of the cost to perform the Interconnection Facilities Study. In the case where one or both Interconnection Studies are determined to be unnecessary, a notice of the fact shall be transmitted to the Interconnection Customer within the same timeframe.

3.5.7 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 3.11, within thirty (30) 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. If the Interconnection System Impact Study is waived, then such posting will be based upon the cost responsibility set forth in the Interconnection Facilities Study described in Section 3.6.

3.5.8 Modifications in Between the Interconnection System Impact Study and Interconnection Facilities Study

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 distribution of the final Interconnection System Impact Study, 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.

Modifications permitted under this Section 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; and (c) modifying the interconnection configuration. As the Interconnection Requests in the Independent Study Process are studied as Energy-Only Deliverability Status for purposes of the Interconnection System Impact Study and the Interconnection Facilities Study, and the Deliverability Assessment is performed only as part of the next available Cluster Study Process, there is no ability for the Interconnection Customer to switch from Full Capacity Deliverability Status to Energy-Only Deliverability Status in between the Interconnection System Impact Study and Interconnection Facilities Study.

For any other modification, the Interconnection Customer may first request that Distribution Provider evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, Distribution Provider, in coordination with the ISO 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. 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 3.5.8, shall constitute a Material Modification. Interconnection Customer may then either withdraw the proposed modification or proceed with a new Interconnection Request for such modification. The Interconnection Customer shall remain eligible to proceed with the Facilities Study if the modifications are in accordance with this Section 3.5.8.

3.6 Interconnection Facilities Study

- 3.6.1 In order to remain under consideration for interconnection, or, as appropriate, in the Distribution Provider's interconnection queue, the Interconnection Customer must return the executed Interconnection Facilities Study agreement within thirty (30) Business Days of receipt of the Interconnection Facilities Study agreement. The Interconnection Customer may forgo this Interconnection Facilities Study and move directly to an Interconnection Agreement if it agrees in writing to be responsible for all actual costs of all required facilities deemed necessary by the Distribution Provider.
- 3.6.2 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(s).
- 3.6.3 Design for any required Interconnection Facilities and/or Upgrades shall be performed under the Interconnection Facilities Study agreement. The Distribution Provider may contract with consultants to perform activities required under the Interconnection Facilities Study agreement. The Interconnection Customer and the Distribution Provider may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by the Distribution Provider, under the provisions of the Interconnection Facilities Study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the Distribution Provider shall make sufficient information available to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.

3.6.4 The scope of and cost responsibilities for the Interconnection Facilities Study are described in the attached Interconnection Facilities Study agreement.

3.6.5 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 Section 3.11, based on the cost responsibility for Network Upgrades, Distribution Upgrades, and the Distribution Provider's Interconnection Facilities set forth in the Interconnection Facilities Study.

3.7 Deliverability Assessment

Interconnection Customers that request Full Capacity Deliverability Status 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 that are triggered by the Interconnection Request, the Interconnection Customer will be responsible to pay its proportionate share of the costs of those Upgrades, pursuant to Section 3.10 of this GIP. 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 proposed Generating Facility will be treated as an Energy-Only Deliverability Status Generating Facility until such time as the Delivery Network Upgrades are constructed and in service. If the Interconnection Customer and Distribution Provider have executed a GIA before the Deliverability Assessment is completed and any necessary Delivery Network Upgrades are allocated to Interconnection Customer, the GIA will be amended to include the Interconnection Customer's financial responsibility for the Delivery Network Upgrades.

3.8 Extensions of Commercial Operation Date

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

3.9 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 applicable Interconnection Customer.

3.10 Financing of Delivery Network Upgrades.

The responsibility to finance Delivery Network Upgrades identified in the On-Peak Deliverability Assessment and Off-Peak Deliverability Assessment as part of the Cluster Study Process for Interconnection Requests seeking Full Capacity Deliverability Status, including Interconnection Requests studied under the Independent Study Process shall be assigned to all Interconnection Requests selecting Full Capacity Deliverability Status based on the flow impact of each such Generating Facility on each Delivery Network Upgrade as determined by the generation distribution factor methodology set forth in ISO Tariff GIP.

3.11 Interconnection Financial Security For Generating Facilities In The Independent Study Process

The Interconnection Customer must post Interconnection Financial Security pursuant to Section 3.11 of this GIP in order to remain in the Independent Study Process.

3.11.1 Types of Interconnection Financial Security.

The Interconnection Financial Security posted by an Interconnection Customer may be any combination of the following types of financial instruments, 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.

To the greatest extent possible, the Interconnection Customer will use industry standard forms for the instruments of Interconnection Financial Security utilized in this Section 3.11.1, such as standard forms used within the financial and electrical industries. The instruments of Interconnection Financial Security listed in this Section 3.11.1 shall be in such form and format 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.

If at any time the guarantor of the Interconnection Financial Security fails to maintain the credit rating required by this GIP Section 3.11.1, the Interconnection Customer shall provide to the Distribution Provider replacement Interconnection

Financial Security that meets the requirements of this GIP Section 3.11.1 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 3.11.1 will accrue to the Interconnection Customer's benefit.

3.11.2 Initial Postings of Interconnection Financial Security

The Interconnection Customer shall post, two separate Interconnection Financial Security instruments: (i) a posting relating to the Network Upgrades; and (ii) a posting relating to the Distribution Provider's Interconnection Facilities and Distribution Upgrades. The Interconnection Customer shall provide Distribution Provider with written notice of the posting of Interconnection Financial Security within five (5) Business Days of the posting.

3.11.2.1 Timing of Initial Postings of Interconnection Financial Security

The initial postings set forth in this GIP Section 3.11.2 shall be made on or before thirty (30) Calendar Days after the Distribution Provider provides the results of the final Interconnection System Impact Study.

3.11.2.2 Initial Posting Amounts For Network Upgrades for a Small Generating Facility

With respect to Network Upgrades, the Interconnection Customer for a Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of the following:

- (i) Fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Interconnection System Impact Study for Network Upgrades; or

- (ii) \$20,000 per megawatt of electrical output of the 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;

3.11.2.3 Initial Posting Amounts for Network Upgrades for a Large Generating Facility

With respect to Network Upgrades, the Interconnection Customer for a Large Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of the following:

- (i) fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Interconnection System Impact Study for Network Upgrades; or
- (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.

3.11.2.4 Initial Posting Amounts for Distribution Provider's Interconnection Facilities and Distribution Upgrades

The Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of the lesser of (i) twenty percent (20%) of the total estimated cost responsibility assigned to the Interconnection Customer in the final Interconnection System Impact Study for the Distribution Provider's Interconnection Facilities and Distribution Upgrades, or (ii) \$20,000 per megawatt of electrical output of the

Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generation Facility as listed by the Interconnection Customer in its Interconnection Request.

The failure by an Interconnection Customer to timely post the Interconnection Financial Security require by this GIP Section 3.11.2 shall result in the Interconnection Request being deemed withdrawn subject to Section 8.1.

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.

3.11.3 Second Posting of Interconnection Financial Security.

The Interconnection Customer shall make second postings of two separate Interconnection Financial Security instruments: (i) a second posting relating to the Network Upgrades; and (ii) a second posting relating to the Distribution Provider's Interconnection Facilities and Distribution Upgrades. The Interconnection Customer shall provide Distribution Provider with written notice of the second postings of Interconnection Financial Security within five (5) Business Days of the posting.

3.11.3.1 Timing of Second Postings of Interconnection Financial Security

The postings in this GIP Section 3.11.3 shall be made on or before one hundred twenty (120) Calendar Days after the Distribution Provider provides the results of the final Interconnection Facilities Study.

3.11.3.2 Second Posting Amounts for Network Upgrades for a Small Generating Facility

With respect to Network Upgrades, the Interconnection Customer for a Generating Facility shall post an Interconnection Financial Security

instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for equals the lesser of the following:

- (i) \$1 million; or
- (ii) Thirty percent (30%) of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in the Interconnection System Impact study, or Facilities Study, whichever is lower.

3.11.3.3 Second Posting Amounts for Network Upgrades for a Large Generating Facility

With respect to Network Upgrades, the Interconnection Customer for a Large Generating shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer equals the lesser of the following:

- (i) \$15 million; or
- (ii) Thirty percent (30%) of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in the Interconnection System Impact Study, or Interconnection Facilities Study, whichever is lower.

3.11.3.4 Second Posting Amounts for Distribution Provider's Interconnection Facilities and Distribution Upgrades for Interconnection Requests

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 percent (30%) of the total cost responsibility assigned to the Interconnection

Customer in the final Facilities Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

3.11.3.5 Alteration of Second Posting Date due to 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 twenty (120) Calendar Days after publication of the final Interconnection Facilities 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 3.11.4 rather than GIP Section 3.11.3.

3.11.4 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 Section 3.11.3 as follows:

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

3.11.5 Consequences for Failure to Post Interconnection Financial Security

The failure by an Interconnection Customer to timely post any and all Interconnection Financial Security required by this Section 3.11 shall constitute grounds for termination of the GIA.

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

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 had been separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades in accordance with GIP Section 7.3 exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer by the final Interconnection System Impact Study or Interconnection Facilities Study, whichever is lower, 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.

3.11.6.1 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 3.11.6.2, if the withdrawal of the Interconnection Request or termination of the GIA occurs for any of the following reasons:

- (i) 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.
- (ii) 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.
- (iii) 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: (a) more than 30% or \$300,000,

whichever is greater, in the estimated cost of Distribution Provider's Interconnection Facilities; or (b) 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 Section 3.11.6.1 (iii) shall not apply if the cause of the cost increase under 3.11.6.1 (i) or 3.11.6.1 (ii) above is the result of a change requested by the Interconnection Customer pursuant to Section 3.5.8 of this GIP.

- (iv) 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 (a) a different substation, (b) a different line on a different right of way, or (c) a materially different location than previously identified on the same line.

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

- (i) Up to One Hundred Twenty Days After the Final Interconnection Facilities Study Report.

If, at any time after the initial posting of the Interconnection Financial Security for Network Upgrades under GIP Section 3.11.2 and on or before one hundred twenty (120) days after the date of

issuance of the results of the final Interconnection Facilities Study, the Interconnection Customer withdraws the Interconnection Request or terminates the GIA, as applicable, in accordance with GIP Section 3.11.6.1, the Distribution Provider shall liquidate the Interconnection Financial Security for Network Upgrades under GIP Section 3.11 and reimburse the Interconnection Customer in an amount of

- (a) any posted amount less fifty percent (50%) of the value of the posted Interconnection Financial Security for Network Upgrades (with a maximum of \$10,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal being retained by the Distribution Provider), or
- (b) if the Interconnection Financial Security has been drawn down to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, the lesser of the remaining balance of the Interconnection Financial Security or the amount calculated under (a) above.

If the Interconnection Customer has separately provided capital apart from the Interconnection Financial Security to finance Pre-Construction Activities for Network Upgrades, the Distribution Provider will credit the capital provided as if drawn from the Interconnection Financial Security and apply (b) above.

- (ii) Between One Hundred Eighty-One Days and After the Final Facilities Study Results and the Commencement of Construction Activities. If, at any time between one hundred eighty-one (181) Calendar Days and after the date of issuance of the final Facilities

Study Report, and the commencement of Construction Activities for either Network Upgrades or Distribution Provider's Interconnection Facilities or Distribution Upgrades, the Interconnection Customer withdraws the Interconnection Request or terminates the GIA, as applicable, in accordance with GIP Section 3.11.6.1 the Distribution Provider shall liquidate the Interconnection Financial Security for Network Upgrades under GIP Section 3.11 and reimburse the Interconnection Customer in an amount of

- (a) any posted amounts less fifty percent (50%) of the value of the posted Interconnection Financial Security for Network Upgrades (with a maximum of \$20,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal being retained by the Distribution Provider), or
- (b) if the Interconnection Financial Security has been drawn down to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, the lesser of the remaining balance of the Interconnection Financial Security or the amount calculated under (a) above. If the Interconnection Customer has separately provided capital apart from the Interconnection Financial Security to finance Pre-Construction Activities for Network Upgrades, the Distribution Provider will credit the capital provided as if drawn from the Interconnection Financial Security and apply (b) above.

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

If at any time after the posting requirement under GIP Section 3.11, the Interconnection Customer withdraws the Interconnection Request or terminates the GIA, as applicable, in accordance with GIP Section 3.11.6.1 (ii), and the Delivery Network Upgrades to be financed by the Interconnection Customer under GIP Section 3.11.10 that are also to be financed by one or more other Interconnection Customers, then GIP Section 3.11.6.1 (i) 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.

3.11.6.4 No Refund of Interconnection Financial Security if Withdrawal After Commencement of Construction Activities.

Except as otherwise provided in GIP Section 3.11.6.3, if Interconnection Customer withdraws its Interconnection Request or terminates the GIA at any time after the commencement of Construction Activities on behalf of the Interconnection Customer for Network Upgrades, Distribution Upgrades, or Distribution Providers Interconnection Facilities, any withdrawal of the Interconnection Request or termination of the GIA by the Interconnection Customer will be treated in accordance with this GIP Section 3.11.6.

3.11.6.5 Notification to Interconnection Customer and Accounting by Distribution Provider.

The Distribution Provider will notify the Interconnection Customer within three (3) Business Days of liquidating any Interconnection Financial Security. Within seventy-five (75) 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 Interconnection Customer 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 3.11.

Section 4. Cluster Study Process

4.1 Timing for Submitting Interconnection Requests

Interconnection Requests must be submitted during a Cluster Application Window. There will be two Cluster Application Windows associated with each Interconnection Study Cycle. The first Cluster Application Window will open on October 15 and close on November 15 of the year prior to the year in which the Interconnection Studies are performed. The second Cluster Application Window will open on March 1 and close on March 31 of the year in which the Interconnection Studies are performed. In the event that any date set for in this section is not a Business Day, then the applicable date shall be the next Business Day thereafter.

In 2011 only, there will be only one Cluster Application Window, which will open on March 1, 2011 and close on March 31, 2011.

The Distribution Provider may change the Cluster Application Window interval and opening or closing dates. 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 Materials to be Submitted at the Time of the Interconnection Request

The Interconnection Customer selecting the Cluster Study Process must submit all of the following materials at the time of the Interconnection Request:

- (i) A completed Interconnection Request in the form of Attachment 2, including requested deliverability status, requested study process (Cluster Study Process), preferred Point of Interconnection and voltage level, and all other technical data required in the Interconnection Request;
- (ii) An Interconnection Study Deposit equal to \$50,000 plus \$1,000 per MW of electrical output of the Generating Facility, up to a maximum of \$250,000; and
- (iii) A demonstration of Site Exclusivity. The Site Exclusivity must be demonstrated to exist, at a minimum, through the Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility.

4.3 Phase I and Phase II Interconnection Studies Overview

The Interconnection Studies performed under the Cluster Study Process consist of a Phase I Interconnection Study and a Phase II Interconnection Study as set forth in Section 4.8 of this GIP. These Interconnection Studies will include, but not be limited to, short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The Phase I and Phase II Interconnection Studies will identify Distribution Provider's Interconnection Facilities, Distribution Upgrades and Reliability Network Upgrades required to mitigate thermal overloads and voltage violations, and address short circuit, stability, and other reliability issues associated with the requested Interconnection Service. The Cluster Study Process may also include operational or other technical studies required to evaluate the interconnection of a Generating Facility to the Distribution System.

4.4 Deliverability Assessment for Interconnection Requests selecting Full Capacity Deliverability Status

For those Interconnection Requests requesting Full Capacity Deliverability Status, the Phase I and Phase II Interconnection Studies will include a Deliverability Assessment as set forth in GIP Section 4.8.3.2 performed by the ISO, which will identify Delivery Network Upgrades to allow the full output of a Generating Facility selecting Full Capacity Deliverability Status. The Deliverability Assessment, if applicable, will also

evaluate 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 GIP Section 4.8.3.2.

4.5 Validation of Interconnection Request.

4.5.1 Acknowledgment of Interconnection Request.

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.

4.5.2 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be deemed complete until the Distribution Provider determines that the information contained in the Interconnection Request is complete and the Interconnection Customer has provided all items required by Section 4.2. If an Interconnection Request fails to meet the requirements set forth in Section 4.2, Distribution Provider shall include in its notification to the Interconnection Customer under Section 4.5.1 the reasons for such failure. Interconnection Customer shall provide Distribution Provider any additional information needed to constitute a deemed complete request. Whenever the additional 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 information and whether the Interconnection Request is now deemed complete. The Interconnection Customer must submit all information necessary to meet the requirements of Section 4.2 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 deemed complete, whichever is later. Interconnection Requests that have not met the requirements of

Section 4.2 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 deemed complete, whichever is later, will be deemed incomplete and withdrawn. Such Interconnection Request(s) will not be included in an Interconnection Study Process or otherwise studied. Interconnection Requests deemed incomplete under this Section 4.5.2 are not subject to Section 8.1. Interconnection Customers with deemed incomplete Interconnection Request may also initiate dispute resolution under Section 5.2 by so notifying the Distribution Provider within two (2) Business Days of the notification that the Interconnection Request is deemed incomplete.

4.6 Scoping Meeting

Within ten (10) Business Days after the Distribution Provider notifies the Interconnection Customer of an Interconnection Request that is deemed complete, and ready for study, 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 impact such Affected System(s). If a determination of potential impact is made, the Distribution Provider shall invite the Affected System Operator(s) in accordance with GIP Section 5.9 to the Scoping Meeting by informing them of the time and place of the scheduled Scoping Meeting as soon as practicable.

The purpose of the Scoping Meeting shall be to discuss reasonable Commercial Operation Dates, alternative interconnection options, to exchange information including any distribution data or 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 unviable alternatives given resources and other available information.

The Distribution Provider will bring to the meeting, as reasonably necessary to accomplish its purpose, the following: (a) 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 Process that may potentially form a Study Group with the Interconnection Customer's Interconnection Request. The Interconnection Customer will bring to the Scoping Meeting, in addition to the technical data in Appendix A to GIP Attachment 2, 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.

4.7 Generator Interconnection Study Process Agreement

Within sixty (60) Calendar Days of the close of the Cluster Application Window, the Distribution Provider shall provide to each Interconnection Customer that had submitted an Interconnection Request that has been deemed complete in the Cluster Application Window a pro forma Generator Interconnection Study Process Agreement (GISPA) in the form set forth in Attachment 6 of this GIP. Within five (5) Business Days following the Scoping Meeting, the Interconnection Customer shall designate 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 shall provide to the Interconnection Customer a Generator Interconnection Study Process Agreement which shall include the designated Point of Interconnection. The Interconnection Customer shall execute and deliver to the Distribution Provider a

signed Generator Interconnection Study Process Agreement no later than thirty (30) Calendar Days from the receipt of the GISPA.

4.8 Performance of Interconnection Studies

4.8.1 Grouping of Interconnection Requests.

At the 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 (Independent Study Process) or in a Group Study for the purpose of conducting one or more of the analyses forming the Interconnection Studies. For each Interconnection Study received within the same Cluster Application Window, the Distribution Provider, in coordination with the ISO, may develop one or more Study Groups.

A Study Group 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. 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 (i.e., a cluster of one) 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 two Cluster Application Windows for a particular year.

Study Groups will be determined using engineering judgment as to electrical relatedness. Generally, all Interconnection Requests in a given Cluster Application Window that are interconnecting at the distribution feeder level (less than 60kV) up to and including interconnections to the lower-voltage side of the

point of demarcation between the Distribution System and the ISO grid will be included in the same Study Group. Interconnection Requests interconnecting to the ISO Grid (including interconnections at the higher voltage side of the line of demarcation between the Distribution System and the ISO Grid) will be in separate Study Groups (managed by the CAISO) from Interconnection Requests to the Distribution System.

Notwithstanding the structure of the Study Groups, the cost of Network Upgrades required by the Interconnection Studies can be allocated to Interconnection Requests interconnecting to the Distribution System, if such Interconnection Requests to the Distribution System contribute to the need for such Network Upgrades.

4.8.2 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 Windows 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, (iv) preliminarily identify for each Interconnection Request the 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 accordance with Section 4.8.3, and (vii) provide a good faith estimate of the cost of Distribution Upgrades and Interconnection Facilities for each Interconnection Request. The portion of the Phase I Interconnection Study required to evaluate impacts on the ISO Grid, if applicable, 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 and Off-Peak Deliverability Assessment(s), as applicable, in accordance with GIP Section 4.8.3.2. The short circuit analysis will include an evaluation of the short circuit duty impacts of all generation interconnecting to the Distribution System on the Transmission System, including generation being studied under the Independent Study Process. The Phase I Interconnection Study will state for each Study Group 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 Study Group 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 Study Group or as a result of any Interconnection Request studied individually, along with the Distribution Provider's Interconnection Facilities associated with each Interconnection Request.

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

4.8.3.1 Reliability Network Upgrades.

The Distribution Provider, in coordination with the ISO, will perform short circuit and stability analyses for each Interconnection Request either individually or as part of a Group Study to preliminarily identify the Reliability Network Upgrades, if any, needed to interconnect the Generating Facilities to the Distribution System. The Distribution Provider, in coordination with the ISO, shall also perform power flow

analyses, under a variety of system conditions, for each Interconnection Request either individually or as part of a Group Study to identify reliability criteria violations, including applicable thermal overloads, that must be mitigated by Reliability Network Upgrades. The estimated costs of short circuit related Reliability Network Upgrades identified through a Group Study shall be assigned to all Interconnection Requests in that Study Group pro rata on the basis of the short circuit duty contribution of each Generating Facility. The estimated costs of all other Reliability Network Upgrades identified through a Group Study shall be assigned to all Interconnection Requests in that Study Group pro rata on the basis of the maximum megawatt electrical output of each proposed new 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. The estimated costs of Reliability Network Upgrades identified as a result of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request.

4.8.3.2 Delivery Network Upgrades.

4.8.3.2.1 The On-Peak Deliverability Assessment.

An On-Peak Deliverability Assessment will be performed, in coordination with the ISO, for Interconnection Customers selecting Full Capacity Deliverability Status in their Interconnection Requests. The On-Peak Deliverability Assessment shall determine the Interconnection Customer's Generating Facility's ability to deliver its Energy to the ISO Grid under peak load conditions, and identify preliminary Delivery Network Upgrades required to provide the Generating Facility with Full Capacity Deliverability Status. The preliminary Delivery Network

Upgrades identified by the On-Peak Deliverability Assessment will be used to establish the maximum cost responsibility for Delivery Network Upgrades for each Interconnection Customer selecting Full Capacity Deliverability Status. Deliverability of a new Generating Facility will be assessed on the same basis as all other existing resources interconnected to the Distribution System or ISO Grid.

The On-Peak Deliverability Assessment will identify the Delivery Network Upgrades that are required to enable the Generating Facility of each Interconnection Customer requesting Full Capacity Deliverability Status to meet the requirements for deliverability. Deliverability requires that the Generating Facility Capacity, as set forth in the Interconnection Request, can be delivered to the aggregate of Load (as defined in the ISO Tariff) on the ISO Grid, consistent with reliability criteria, under ISO Grid peak load and contingency conditions, and assuming the aggregate output of existing Generating Facilities with established Net Qualifying Capacity (as defined in the ISO Tariff) values and other Generating Facilities in the Interconnection Study Process seeking Full Capacity Deliverability Status identified within the On-Peak Deliverability Assessment based on the effect of transmission constraints.

The On-Peak Deliverability Assessment will further include an analysis to estimate the MW of deliverable generation capacity for the individual or Study Group if the highest cost Delivery Network Upgrade component was

removed from the preliminary Delivery Network Upgrade plan, or, at the Distribution Provider's and ISO's sole discretion, if any other identified Delivery Network Upgrade component(s) was removed from the preliminary Delivery Network Upgrade plan. This information is provided to allow Interconnection Customers to address at the Results Meeting potential modifications under GIP Section 4.11.2 or change the Interconnection Request's Full Capacity Deliverability Status for purposes of financing under GIP Section 7.3.

The methodology for the On-Peak Deliverability Assessment will be as set forth in the ISO Tariff. The On-Peak Deliverability Assessment does not convey any right to deliver electricity to any specific customer or delivery point on the ISO Grid or Distribution System.

The estimated costs of Delivery Network Upgrades identified in the On-Peak Deliverability Assessment shall be assigned to all Interconnection Requests selecting Full Capacity Deliverability Status based on the flow impact of each such Generating Facility on the Delivery Network Upgrades as determined by the generation distribution factor methodology set forth in the ISO Tariff GIP.

4.8.3.2.2 The Off-Peak Deliverability Assessment.

An Off-Peak Deliverability Assessment will be performed, in coordination with the ISO, for Interconnection Customers selecting Full Capacity Deliverability Status in their Interconnection Requests to determine Delivery Network Upgrades in addition to those identified in the On-

Peak Deliverability Assessment, if any, for a Group Study or individual Phase I Interconnection Study that includes one or more Location Constrained Resource Interconnection Generators (LCRIG) as defined in the ISO Tariff, where the fuel source or source of energy for the LCRIG substantially occurs during off-peak conditions. Delivery Network Upgrades will be identified under this Section to ensure that the full maximum megawatt electrical output of each proposed new LCRIG or the amount of megawatt increase in the generating capacity of each existing LCRIG as listed by the Interconnection Customer in its Interconnection Request, whether studied individually or as a Study Group, is deliverable to the aggregate of Load on the ISO Grid under the Generation dispatch conditions studied. The methodology for the Off-Peak Deliverability Assessment will be published pursuant to the ISO Tariff.

At the Distribution Provider's and ISO's discretion, an additional Off-Peak Deliverability Assessment may be performed to estimate the MW of deliverable generation capacity from the LCRIG studied individually or from the Study Group if the highest cost, or any other, Delivery Network Upgrade component were removed from the preliminary Delivery Network Upgrade plan. This information is provided to allow Interconnection Customers to address at the Results Meeting potential modifications under GIP Section 4.11.2 or change the Interconnection Request's Full Capacity Deliverability Status for purposes of financing under GIP Section 7.3.

The estimated costs of Delivery Network Upgrades identified in the Off-Peak Deliverability Assessment shall be assigned to each Interconnection Request included in the Study Group or studied individually based on the flow impact of each such LCRIG on the Delivery Network Upgrades as determined by the generation distribution factor methodology set forth in ISO Tariff GIP.

4.8.3.3 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 Study Group 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 Study Group 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 Study Group pro rata based on each Interconnection Request's contribution to the need for the upgrade.

4.9 Costs Identified in the Phase I Interconnection Study Form the Basis of Interconnection Financial Security.

The costs assigned to Interconnection Customers for Network Upgrades under this GIP Section 4.8.3.1 and Section 4.8.3.2 shall establish the maximum value for the Interconnection Financial Security required from each Interconnection Customer under

GIP Section 4.23 for such Network Upgrades. In contrast, the costs assigned to Interconnection Customers for Distribution Provider's Interconnection Facilities and Distribution Upgrades under GIP Section 4.8.2 and Section 4.8.3.3 are estimates only that establish the basis for the initial Interconnection Financial Security required from each Interconnection Customer under GIP Section 4.23.

4.10 Phase I Interconnection Study Procedures.

The Distribution Provider shall coordinate the Phase I Interconnection Study with the ISO pursuant to GIP Section 5.9, as applicable, and any Affected System Operator that is affected by the Interconnection Request pursuant to GIP Section 5.9. 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. Interconnection Requests from the two most recent Cluster Application Windows, as set forth in GIP Section 4.1 with deemed complete Interconnection Requests and executed Generator Interconnection Study Process Agreements shall be included in the Phase I Interconnection Study. The Distribution Provider shall use Reasonable Efforts to commence the Phase I interconnection Study by June 1 of each year, and to complete and publish to Interconnection Customers the Phase I Interconnection Study report one hundred thirty-four (134) Calendars Days after the annual commencement of the Phase I Interconnection Study; 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 received in the two associated Cluster Application Windows, study complexity, and reasonable availability of subcontractors as provided under GIP Section 5.12. 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 final study report. The Distribution Provider will issue a final Phase I Interconnection Study report to the Interconnection Customer and a copy of the final Phase I study report to the ISO and Affected System Operators, if applicable. At the time

of completion of the Phase I Interconnection Study, the Distribution Provider may, at the Interconnection Customer's request, determine whether the provisions of GIP Section 4.18 apply.

If 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 two associated Cluster Application Windows, 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 Customer(s) 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, work papers 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 as outlined in GIP Section 5.5.

4.11 Phase I Interconnection Study Results Meeting.

Within thirty (30) Calendar Days of providing the final Phase I Interconnection Study report to the Interconnection Customer; the Distribution Provider, the ISO and any 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.

4.11.1 Commercial Operation Date.

At the Results Meeting, the Interconnection Customer shall provide a schedule outlining key milestones including environmental survey start date, expected environmental permitting submittal date, expected procurement date of project equipment, back-feed date for project construction, and expected project

construction date. This will assist the parties in determining if proposed Commercial Operation Dates are reasonable. If large-scale 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, a 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 to a revised Commercial Operation Date, 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 revised 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 5.2. The Interconnection Customer must notify the Distribution Provider within five (5) Business Days following the Results Meeting if it is initiating dispute procedures under GIP Section 5.2.

4.11.2 Modifications in between the Phase I and Phase II Interconnection Studies.

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 Phase I Interconnection Study Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection Request. After the publication of the final Phase I Interconnection Study, but no later than five (5) 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 request for modification to the ISO, if applicable, within two (2) Business Days of receipt.

Modifications permitted under this Section 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; and (c) modifying the interconnection configuration. For any modification other than these, the Interconnection Customer may first request that Distribution Provider evaluate whether such modification is a Material Modification. 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. 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 4.11.2, shall constitute a Material

Modification. Interconnection Customer may then either withdraw the Interconnection Request with the proposed modification or proceed with a new Interconnection Request for such modification. The Interconnection Customer shall remain in the Interconnection Study Process and be eligible for the Phase II Interconnection Study if the modifications are in accordance with this Section 4.11.2 and are not deemed Material Modifications.

4.12 Scope of Phase II Interconnection Study.

Within five (5) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to the Distribution Provider the completed form of Appendix B to Attachment 6. (“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 Attachment 6 to this GIP. Within such Appendix B to Attachment 6, the Interconnection Customer shall either (i) confirm the desired deliverability status that the Interconnection Customer had previously designated in the completed form of Appendix A to Attachment 6 to the Generator Interconnection Study Process Agreement (“Assumptions Used in Conducting the Phase I Interconnection Study”); or (ii) change the status of desired deliverability from Full Capacity Deliverability Status to Energy-Only Deliverability Status.

The 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 Study Process, (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 interconnect the Generating Facilities, (v) allocate estimated cost responsibility for financing the identified final Reliability Network Upgrades, (vi) 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, (vii) allocate estimated cost responsibility for financing Delivery Network Upgrades needed to interconnect those Generating Facilities selecting Full Capacity Deliverability Status, (viii) identify for each Interconnection Request a final Point of Interconnection and Distribution Provider's Interconnection Facilities, (ix) provide an estimate for each Interconnection Request of the Distribution Provider's Interconnection Facilities, and (x) optimize in-service timing requirements based on operational studies in order to maximize achievement of the Commercial Operation Dates of the Generating Facilities, as applicable.

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.

4.13 Phase II Interconnection Study Procedures.

Distribution Provider shall coordinate the Phase II Interconnection Study with the ISO pursuant to GIP Section 5.9, and any Affected System Operator that is affected by the Interconnection Request pursuant to GIP Section 5.9. 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 by January 15 of each year, and to complete and distribute 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. 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 final study report. The Distribution Provider will issue a final Phase II Interconnection Study report to Interconnection Customer, and a copy of the final report to the ISO and any Affected System Operator, if applicable.

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 of the Interconnection Customer, Distribution Provider shall provide Interconnection Customer all supporting documentation, work papers, 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 5.5.

4.14 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 the ISO Tariff.

4.15 Financing of Distribution Upgrades.

The responsibility to finance Distribution Upgrades identified in the Phase II Interconnection Study or an Interconnection Request studied separately shall be assigned solely to that Interconnection Request. The responsibility to finance Distribution Upgrades identified through a Group Study in the Phase II Interconnection Study shall be assigned to all Interconnection Requests in that Study Group pro rata on the basis of the each Interconnection Request's contribution to the need for the Distribution Upgrade.

4.16 Financing of Reliability Network Upgrades.

The responsibility to finance Reliability Network Upgrades identified in the final Phase II Interconnection Study of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request up to the cost assignment for Reliability Network Upgrades under Section 4.8.3.1. The responsibility to finance final short circuit related Reliability Network Upgrades identified through a Group Study in the Phase II Interconnection Study shall be assigned to all Interconnection Requests in that Study Group pro rata on the basis of short circuit duty contribution of each Generating Facility up to the cost assignment for Reliability Network Upgrades under Section 4.8.3.1. The responsibility to finance all other Reliability Network Upgrades identified through a Group Study in the final Phase II Interconnection Study shall be assigned to all Interconnection Requests in that Study Group pro rata on the basis of the maximum megawatt electrical output of each proposed new Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request up to the cost assignment for Reliability Network Upgrades under Section 4.8.3.1.

4.17 Financing of Delivery Network Upgrades.

The responsibility to finance all Delivery Network Upgrades identified in the On-Peak Deliverability Assessment and Off-Peak Deliverability Assessment as part of Phase II Interconnection Study shall be assigned to all Interconnection Requests selecting Full Capacity Deliverability Status based on the flow impact of each such Generating Facility

on each Delivery Network Upgrade as determined by the generation distribution factor methodology set forth in the On-Peak and Off-Peak Deliverability Assessment methodologies. The financing responsibility shall be up to, but no greater than, the cost assignment for Delivery Network Upgrades for each Interconnection Request under Sections 4.8.3.2.1 and 4.8.3.2.2.

4.18 Accelerated Phase II Interconnection Study Process.

The Phase II Interconnection Study shall be completed within one hundred fifty (150) Calendar Days following the posting of the initial Interconnection Financial Security under GIP Section 4.23.2 where the Interconnection Request meets the following criteria: (i) the Interconnection Request is no longer grouped with any other Interconnection Requests as a result of Phase I Interconnection Study withdrawals.

In addition to the above criteria, the Distribution Provider may apply to FERC in coordination with the Interconnection Customer and ISO, as applicable, for a waiver of the timelines in this GIP to meet the schedule required by an order, ruling, or regulation of the Governor of the State of California, the California Public Utilities Commission, or the California Energy Commission.

4.19 Phase II Interconnection Study Results Meeting.

Within thirty (30) Calendar Days of providing the final Phase II Interconnection Study report to Interconnection Customer; the 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.

4.20 Re-Evaluation of Network Upgrades and/or 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 and/or Network 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.

4.21 (Not Used)

4.22 Additional Deliverability Assessment Options

4.22.1 One-Time Full Capacity Deliverability Study

A Generating Facility previously studied as Energy-Only Deliverability Status under the GIP, or any approved predecessor interconnection procedures will have a one-time option to be studied for Full Capacity Deliverability Status using available transmission capacity. An Interconnection Customer must make such election within the Cluster Application Window closing on March 31, 2011. Any Interconnection Customers selection this option will have a Deliverability Assessment performed as part of the Phase I and Phase II Interconnection Studies for the ISO's Queue Cluster Number Four. Interconnection Customers electing this one-time option will be required to post a study deposit in the amount set forth in Section 4.2 of this GIP, less any study deposit amounts already paid if the Interconnection Customer's Generating Facility is still in the interconnection study process.

4.22.2 Annual Full Capacity Deliverability Study

A Generating Facility previously studied as Energy-Only Deliverability Status under the GIP or any approved predecessor interconnection procedures will have an annual option to be studied to determine whether it can be designated for Full Capacity Deliverability Status using available transmission capacity (i.e. with no responsibility to finance delivery network upgrades). An Interconnection Customer must make a request for such a study within a Cluster Application Window, beginning with the Cluster Application Window closing on March 31, 2012. The Annual Full Capacity Deliverability Study will be performed for any

Interconnection Customer selecting this option immediately following the Phase II Interconnection Studies associated with the Queue Cluster during which the Interconnection Customer submits its request typically June through August annually.

4.22.2.1 Request for Participation in the Annual Full Capacity Deliverability Study

Interconnection Customers that wish to participate in the Annual Full Capacity Deliverability Study must submit an Interconnection Request as set forth in Appendix 1 to the GIP along with a non-refundable \$10,000 study fee.

4.22.2.2 Performance of the Annual Full Capacity Deliverability Study

After allocating transmission system capability, including capability associated with both existing capability and capability relating to approved transmission upgrades to Interconnection Customers in the Cluster Study Process that originally requested Full Capacity Deliverability Status in the Phase II Interconnection Study, the ISO, in consultation with the Distribution Provider, will perform additional studies using the Deliverability Assessment procedures set forth in Section 4.8.3.2 of this GIP to determine the availability of any remaining transmission system capability for those Interconnection Customers requesting Full Capacity Deliverability Status as part of the Annual Full Capacity Deliverability Study process described in this Section 4.22.2.

If there is sufficient available transmission capability for the Interconnection Customer to deliver the full output of its Generating Unit, then the Interconnection Customer's Generating Facility will be considered to have Full Capacity Deliverability Status.

4.22.2.3 Priority

In determining available transmission capability, priority will be given to Interconnection Customers with Generating Facilities that have the lowest generation distribution factors, calculated according to the Deliverability Assessment procedures set forth in Section 4.8.3.2 of this GIP.

4.22.2.4 Partial Deliverability Based on Available Transmission Capacity

If the assessment of available transmission capability conducted under this GIP Section 4.22.2 indicates that there is some transmission capacity available for use by the Interconnection Customer, but less than is necessary to deliver the full output of the Interconnection Customer's Generating Facility, then the Interconnection Customer's Generating Facility will be considered to be partially deliverable, and the amount of transmission capability made available to that Interconnection Customer's Generating Facility will be equal to the determination of available transmission capability for the Generating Facility rounded down to the nearest 50 MW increment.

4.22.2.5 Study Costs

The Distribution Provider and the CAISO 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.

4.23 Interconnection Financial Security

The Interconnection Customer must post Interconnection Financial Security pursuant to Section 4.23 of this GIP in order to remain in the Interconnection Study Process.

4.23.1 Types of Interconnection Financial Security.

The Interconnection Financial Security posted by an Interconnection Customer may be any combination of the following types of financial instruments, 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. To the greatest extent possible, the Interconnection Customer will use industry standard forms for the instruments of Interconnection Financial Security utilized in this Section 4.23.1, such as standard forms used within the financial and electrical industries. The instruments of Interconnection Financial Security listed in this Section 4.23.1 above shall be in such form and format 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.

If at any time the guarantor of the Interconnection Financial Security fails to maintain the credit rating required by this GIP Section 4.23, the Interconnection Customer shall provide to the Distribution Provider replacement Interconnection Financial Security that meets the requirements of this GIP Section 4.23.1 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 4.23.1 will accrue to the Interconnection Customer's benefit.

4.23.2 Initial Postings of Interconnection Financial Security

The Interconnection Customer shall post two separate Interconnection Financial Security instruments: (i) a posting relating to the Network Upgrades; and (ii) a posting relating to the Distribution Provider's Interconnection Facilities and Distribution Upgrades. The Interconnection Customer shall provide Distribution Provider with written notice of the posting of Interconnection Financial Security within five (5) Business Days of the posting.

4.23.2.1 Timing of Initial Postings of Interconnection Financial Security

The initial postings set forth in this GIP Section 4.23.2 shall be made on or before ninety (90) Calendar Days after publication of the final Phase I Interconnection Study report.

4.23.2.2 Initial Posting Amounts for Network Upgrades for a Small
Generating Facility

With respect to Network Upgrades, the Interconnection Customer for a Small Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of the following:

- (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;

4.23.2.3 Initial Posting Amounts for Network Upgrades for a Large
Generating Facility

With respect to Network Upgrades, the Interconnection Customer for a Large Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of the following:

- (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 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

4.23.2.4 Initial Posting Amounts for Interconnection Customers that Switch from Full Capacity Deliverability Status to Energy-Only Deliverability Status following Phase I Interconnection Study

If an Interconnection Customer switches its deliverability status from Full Capacity Deliverability Status to Energy-Only Deliverability Status within five (5) Business Days following the Phase I Interconnection Study Results Meeting, as permitted in Section 4.11.2 of this GIP, the required initial posting of Interconnection Financial Security for Network Upgrades shall, for purposes of determining the amount of initial posting of Interconnection Financial Security, be no greater than the total cost responsibility assigned to the Interconnection Customer in the Phase I Interconnection Study for Reliability Network Upgrades.

4.23.2.5 Initial Posting Amounts for Distribution Provider's Interconnection Facilities and Distribution Upgrades

The Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of the lesser of (i) twenty percent (20%) of the total estimated cost responsibility assigned to the Interconnection Customer in the final System Impact Study for the Distribution Provider's Interconnection Facilities and Distribution Upgrades, or (ii) \$20,000 per megawatt of electrical output of the Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generation Facility as listed by the Interconnection Customer in its Interconnection Request.

4.23.3 Second Postings of Interconnection Financial Security.

The Interconnection Customer shall make second postings of two separate Interconnection Financial Security instruments: (i) a second posting relating to the Network Upgrades; and (ii) a second posting relating to the Distribution Provider's Interconnection Facilities and Distribution Upgrades. The Interconnection Customer shall provide Distribution Provider with written notice of the second postings of Interconnection Financial Security within five (5) Business Days of the posting.

4.23.3.1 Timing of Second Postings of Interconnection Financial Security.

The postings in this GIP Section 4.23.3 shall be made on or before one hundred eighty (180) Calendar Days after publication of the final Phase II Interconnection Study report.

4.23.3.2 Second Posting Amounts for Network Upgrades for a Small Generating Facility

With regards to Network Upgrades, the Interconnection Customer for a Small Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for equals the lesser of the following:

- (i) \$1 million; or
- (ii) Thirty percent (30%) of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in the final Phase I Interconnection Study or final Phase II Interconnection Study, whichever is lower.

4.23.3.3 Second Posting Amounts for Network Upgrades for a Large Generating Facility.

With regards to Network Upgrades, the Interconnection Customer for a Large Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer equals the lesser of the following:

- (i) \$15 million; or
- (ii) Thirty percent (30%) of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in the final Phase I Interconnection Study or final Phase II Interconnection Study, whichever is lower.

4.23.3.4 Second Posting Amounts for Distribution Provider's Interconnection Facilities and Distribution Upgrades

The Interconnection Customer shall also post additional Interconnection Financial Security such that the total Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades equals thirty percent (30%) 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.

4.23.3.5 Alteration of Second Posting Date due to 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 publication of the final Phase II Interconnection Study, 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 4.23.4 rather than GIP Section 4.23.3.

4.23.4 Third Posting of Interconnection Financial Security.

On or before the start of Construction Activities for Network Upgrades, 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 Section 4.23.3 as follows:

- (i) With respect to the Interconnection Financial Security instrument for Network Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred percent (100%) of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in the final Phase I Interconnection Study or Phase II Interconnection Study, whichever is lower.
- (ii) 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 percent (100%) of the total cost responsibility assigned to the Interconnection Customer for Distribution Provider's Interconnection Facilities in the final Phase II Interconnection Study.

4.23.5 Consequences for Failure to Post Interconnection Financial Security

The failure by an Interconnection Customer to timely post any and all Interconnection Financial Security required by this GIP Section 4.23 shall constitute grounds for termination of the GIA.

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

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 had been separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades in accordance with GIP Section 7.3 exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer by the final Phase I or Phase II Interconnection Study, whichever is lower, 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.

Notwithstanding the foregoing in Section 4.23.6, if Interconnection Customer withdraws for the reasons specified in Section 4.23.6.1, the Interconnection Customer may receive partial recovery of its Interconnection Financial Security, as set forth in Section 4.23.6.2.

4.23.6.1 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 4.23.6.2 if the withdrawal of the Interconnection Request or termination of the GIA occurs for any of the following reasons:

- (i) 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.

- (ii) 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.

- (iii) 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: (a) more than 30% or \$300,000, whichever is greater, in the estimated cost of Distribution Provider's Interconnection Facilities; or (b) 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 Section 4.23.6.1 (iii) shall not apply if the cause of the cost increase under 4.23.6.1 (i) or 4.23.6.1 (ii) above is the result of a change requested by the Interconnection Customer pursuant to Section 4.11.2 of this GIP.

- (iv) 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 (a) a different substation, (b) a different line on a different right of way, or (c) a materially different location than previously identified on the same line.

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

- (i) Up to One Hundred Eighty Days After Final Phase II
Interconnection Study Report.

If, at any time after the initial posting of the Interconnection Financial Security for Network Upgrades under GIP Section 4.23.2 and on or before one hundred eighty (180) Calendar Days after the date of issuance of the final Phase II Interconnection Study report, the Interconnection Customer withdraws the Interconnection Request or terminates the GIA, as applicable, in accordance with GIP Section 4.23.6.1, the Distribution Provider shall liquidate the Interconnection Financial Security for Network Upgrades under GIP Section 4.23 and reimburse the Interconnection Customer in an amount of (a) any posted amount less fifty percent (50%) of the value of the posted Interconnection Financial Security for Network Upgrades (with a maximum of \$10,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal being retained by the Distribution Provider), or (b) if the Interconnection Financial Security has been drawn down to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, the lesser of the remaining balance of the Interconnection Financial Security or the amount calculated under (a) above. If the Interconnection Customer has separately provided capital apart from the Interconnection Financial Security to finance Pre-Construction Activities for Network Upgrades, the

Distribution Provider will credit the capital provided as if drawn from the Interconnection Financial Security and apply (b) above.

- (ii) Between One Hundred Eighty-One Days and After Final Phase II Interconnection Study Report and the Commencement of Construction Activities. If, at any time between one hundred eighty-one (181) Calendar Days and after the date of issuance of the final Phase II Interconnection Study report and the commencement of Construction Activities for either Network Upgrades or Distribution Provider's Interconnection Facilities or Distribution Upgrades, the Interconnection Customer withdraws the Interconnection Request or terminates the GIA, as applicable, in accordance with GIP Section 4.23.6.1 the Distribution Provider shall liquidate the Interconnection Financial Security for Network Upgrades under GIP Section 4.23 and reimburse the Interconnection Customer in an amount of:
 - (a) any posted amounts less fifty percent (50%) of the value of the posted Interconnection Financial Security for Network Upgrades (with a maximum of \$20,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal being retained by the Distribution Provider), or
 - (b) if the Interconnection Financial Security has been drawn down to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, the lesser of the

remaining balance of the Interconnection Financial Security or the amount calculated under (a) above. If the Interconnection Customer has separately provided capital apart from the Interconnection Financial Security to finance Pre-Construction Activities for Network Upgrades, the Distribution Provider will credit the capital provided as if drawn from the Interconnection Financial Security and apply (b) above.

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

If at any time after the posting requirement under GIP Section 4.23, the Interconnection customer withdraws the Interconnection Request or terminates the GIA, as applicable, in accordance with GIP Section 4.23.6.1 (ii), and the Delivery Network Upgrades to be financed by the Interconnection Customer under GIP Section 4.17 that are also to be financed by one or more other Interconnection Customers, then GIP Section 4.23.6.2 (i) 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.

4.23.6.4 No Refund of Interconnection Financial Security if Withdrawal After Commencement of Construction Activities.

Except as otherwise provided in GIP Section 4.23.6.3, if Interconnection Customer withdraws its Interconnection Request or terminates the GIA at any time after the commencement of Construction Activities for Network Upgrades, Distribution Upgrades, or Distribution Provider's Interconnection Facilities, the

Interconnection Customer will forfeit any and all remaining Interconnection Financial Security pursuant to this GIP Section 4.23.6.

4.23.6.5 Notification to Interconnection Customer and Accounting by Distribution Provider.

The Distribution Provider will notify the Interconnection Customer 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 Interconnection Customer with an accounting of the disposition of the proceeds of the liquidated Interconnection Financial Security, net of any costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer in accordance with this GIP Section 4.23.

4.24 Generator Interconnection Agreement (GIA)

4.24.1 Tender of draft GIA

Within thirty (30) Calendar Days after the Distribution Provider provides the final Phase II Interconnection Study report to the Interconnection Customer, 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 this GIP. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft GIA and appendices within thirty (30) Calendar Days of receipt of the draft GIA.

4.24.2 Negotiation.

Notwithstanding Section 4.24.1, 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 ninety (90) Calendar Days after the Distribution Provider provides the Interconnection Customer with the final Phase II Interconnection Study report. Distribution Provider shall provide to Interconnection Customer a final GIA within fifteen (15) Business Days following the completion of the negotiation period.

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 Section 4.24.3 and request submission of the unexecuted GIA to FERC or initiate Dispute Resolution procedures pursuant to Section 5.2. Unless otherwise agreed by the Parties, if Interconnection Customer requests termination of the negotiations within ninety (90) Calendar Days after issuance of the final Phase II Interconnection Study report, but fails to request either the filing of the unexecuted GIA or to initiate Dispute Resolution, the Interconnection Customer shall be deemed to have withdrawn its Interconnection Request.

4.24.3 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. The GIA shall be considered executed as of the date that all three Parties have signed the GIA. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of the tendered GIA 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 the 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.

4.24.4 Impact of Executed or Unexecuted GIA on Commencement of Interconnection Activities.

Regardless of whether the Interconnection Customer executes the final GIA, or requests submission of an unexecuted GIA, Distribution Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the GIA, subject to modification by FERC.

4.24.5 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.

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

The Distribution Provider shall be responsible for financing and constructing the Network Upgrades, that meet 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 a Phase II 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 Phase II 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 4.25 arises only after the Distribution Provider, in coordination with the ISO, if applicable, determines that the Network Upgrades remain needed to support the interconnection of the Interconnection Customer's Generating Facility notwithstanding, as applicable, the absence or delay of the Generating Facility that is contractually, or was previously contractually, associated with the Network Upgrades.

Further, to the extent the timing of such Network Upgrades was not accounted for in determining a reasonable Commercial Operation Date among the Distribution Provider, ISO, as applicable, 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 4.25 shall be in

addition to the Interconnection Customer's cost responsibility assigned under GIP Section 4.8.3.

Section 5. Provisions that Apply to All Interconnection Requests

5.1 Reasonable Efforts

The Distribution Provider shall make reasonable efforts to meet all time frames provided in these procedures, including the payment of refunds, unless the Distribution Provider and the Interconnection Customer agree to a different schedule. If the Distribution Provider cannot meet a deadline or timeline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

5.2 Disputes

5.2.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

5.2.2 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.

5.2.3 If the dispute has not been resolved within two (2) Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.

5.2.4 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>.

5.2.5 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.

5.2.6 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.

5.3 Interconnection Metering

Any metering necessitated by the use of the Generating Facility shall be installed at the Interconnection Customer's expense in accordance with Federal Energy Regulatory Commission, state, or local regulatory requirements or the Distribution Provider's specifications.

5.4 Commissioning

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The Distribution Provider must be given at least fifteen (15) Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

5.5. Confidentiality

5.5.1 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.

5.5.2 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.

5.5.2.1 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.

5.5.2.2 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.

5.5.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1 b.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.

5.6 Comparability

The Distribution Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this document. The Distribution Provider shall use the same reasonable efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Generating Facility is owned or operated by the Distribution Provider, its subsidiaries or affiliates, or others.

5.7 Record Retention

The Distribution Provider shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests.

5.8 Interconnection Agreement

5.8.1 Tender.

Except as described in Section 2 for Interconnection Requests evaluated under the Fast Track Process, within thirty (30) Calendar Days after 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, 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 this GIP. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices within thirty (30) Calendar Days.

5.8.2 Negotiation.

Notwithstanding Section 5.8.1, 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 ninety (90) 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 Section 5.10.1 and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to Section 5.2. If Interconnection Customer requests termination of the negotiations, but within ninety (90) 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 Section 5.2 within ninety (90) 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.

5.8.3 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.

5.9 Coordination with Affected Systems

The Distribution Provider shall 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 these procedures. The Distribution Provider will include such Affected System operators in all meetings held with the Interconnection Customer as required by these procedures. The Interconnection Customer will cooperate with the 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(s) shall cooperate with the 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.

5.10 Capacity of the Generating Facility

5.10.1 If the Interconnection Request is for an increase in capacity for an existing Generating Facility, the Interconnection Request shall be evaluated on the basis of the new total capacity of the Generating Facility.

5.10.2 If the Interconnection Request is for a Generating Facility that includes multiple energy production devices at a site for which the Interconnection Customer seeks a single Point of Interconnection, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices.

5.10.3 The Interconnection Request shall be evaluated using the maximum rated capacity of the Generating Facility.

5.11 Interconnection Customer To Meet Requirements for 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 of the GIP shall govern.

5.12 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.

Section 6. Generally Applicable Provisions for the Engineering & Procurement ('E&P') Agreement

This Section 6 shall apply to E&P Agreements for Interconnection Requests processed under the Cluster Study Process, the Independent Study Process or the Fast Track Process. 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 7. General Provisions Concerning Construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades. General Provisions Concerning Funding of Network Upgrades

This Section 7 shall apply, as pertinent, to Interconnection Requests processed under the Cluster Study Process, the Independent Study Process, the Fast Track Process, or the Under 10 kW Inverter Process.

7.1 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.

7.2 Construction Sequencing.

7.2.1 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.

7.2.2 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.

7.3 Network Upgrades

7.3.1 Initial Funding of Network Upgrades

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(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) established under the respective Interconnection Study Process.

Where the Distribution Provider does not elect to fund the full capital for specific Reliability and Delivery Network Upgrades, 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) under the respective Interconnection Study Process.

- (i) Where the funding responsibility for any Reliability Network Upgrade or Delivery Network Upgrade has been assigned to a single Interconnection Customer in accordance with this GIP, and the Distribution Provider has elected not to fund the full capital of the Reliability Network Upgrade or Delivery Network Upgrade, the Distribution Provider shall invoice the Interconnection Customer up to a maximum amount no greater than that established by the cost responsibility assigned to such Interconnection Customer under the respective Interconnection Study Process.
- (ii) Where the funding responsibility for a Reliability Network Upgrade has been assigned to more than one Interconnection Customer in accordance

with this GIP, and the Distribution Provider has elected not to fund the full capital of the Reliability Network Upgrade, the Distribution Provider shall invoice each Interconnection Customer for such Reliability Network Upgrade based on the ratio of the maximum megawatt electrical output of each new Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed the Generating Facility's Interconnection Request to the aggregate maximum megawatt electrical output of all such new Generating Facilities and increases in the generating capacity of existing Generating Facilities assigned responsibility for such Reliability Network Upgrade. Each Interconnection Customer may be invoiced up to a maximum amount no greater than that established by the cost responsibility for Reliability Network Upgrades assigned to that Interconnection Customer under the respective Interconnection Study Process.

- (iii) Where the funding responsibility for a Delivery Network Upgrade has been assigned to more than one Interconnection Customer in accordance with this GIP, and the Distribution Provider has elected not to fund the full capital of the Delivery Network Upgrade, the Distribution Provider shall invoice each Interconnection Customer for such Delivery Network Upgrade based on the percentage flow impact of each assigned Generating Facility on each Delivery Network Upgrade as determined by the generation distribution factor methodology as set forth in the ISO Tariff GIP. Each Interconnection Customer may be invoiced up to a maximum amount no greater than that established by the cost responsibility for Delivery Network Upgrades assigned to that Interconnection Customer under the respective Interconnection Study Process.

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.

Section 8. Generally Applicable Provisions Regarding, Withdrawal, Transferability of Interconnection Request, Use of Study Deposits, Refunds of Study Deposits, and Other Cost Responsibilities

8.1 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 Operator(s), 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 the Interconnection Customer fails to adhere to the requirements of this GIP, Distribution Provider shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal within five (5) Business Days of the deemed withdrawal. Upon receipt of notice of deemed withdrawal, Interconnection Customer shall have five (5) Business Days in which to either: (i) respond with information or action that either cures the deficiency or supports its position that the deemed withdrawal was erroneous; or (ii) notify the Distribution Provider of its intent to pursue Dispute Resolution under GIP Section 5.2.

Withdrawal shall result in the removal of the Interconnection Request from the Interconnection Study Process. If an Interconnection Customer disputes the withdrawal and removal from the Interconnection Study Process and has elected to pursue Dispute Resolution as set forth in GIP Section 5.2, Interconnection Customer's Interconnection Request will not be considered in any ongoing Interconnection Study during the Dispute Resolution process.

In the event of a withdrawal, Distribution Provider, subject to the provisions GIP Section 8.1, 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.

8.2 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.

8.3 Use of Interconnection Study Deposit.

The Interconnection Study Deposit shall be applied to pay for actual costs incurred by the Distribution Provider, the ISO, or third parties at the direction of the Distribution Provider to perform and administer the Interconnection Studies and to meet and otherwise communicate with Interconnection Customers with respect to their Interconnection Requests.

8.4 Refunds Of Interconnection Study Deposits

8.4.1 Prior To The Execution Of The GIA

The Interconnection Study Deposits shall be refundable as follows:

- (i) Should an Interconnection Customer withdraw the Interconnection Request, or the Interconnection Request be deemed withdrawn by the Distribution Provider by written notice under Section 8.1 on or before seventy (75) 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 actual 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);

- (ii) Should an Interconnection Customer withdraw the Interconnection Request, or the Interconnection Request be deemed withdrawn by the Distribution Provider by written notice under Section 8.1 more than thirty (30) Calendar Days after the Scoping Meeting, but on or before thirty (30) Calendar Days following the Results Meeting (or the latest date permitted under this GIP for a Results Meeting if an Interconnection Customer elects not to have a Results Meeting) for the Phase I Interconnection Study for Interconnection Requests processed under the Cluster Study Process or the System Impact Study for Interconnection Requests processed under the Independent Study Process, the Distribution Provider shall refund to the Interconnection Customer the difference between (a) the Interconnection Customer's Interconnection Study Deposit and (b) 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);
- (iii) Should an Interconnection Customer withdraw the Interconnection Request, or the Interconnection Request be deemed withdrawn by the Distribution Provider by written notice under Section 8.1 at any time more than thirty (30) Calendar Days after the Results Meeting (or the latest date permitted under this GIP for a Results Meeting if an Interconnection Customer elects not to have a Results Meeting) for the Phase I Interconnection Study for Interconnection Requests processed under the Cluster Study Process or the System Impact Study for Interconnection

Requests processed under the Independent Study Process , the Interconnection Study Deposit shall be non-refundable.

8.4.2 Upon Execution Of The GIA

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).

8.5 Responsibility For Actual Costs In Excess Of Deposit

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 actually 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 of studies performed on its behalf.

8.6 Obligation for Study Costs.

Except as otherwise provided in GIP Section 8.6, the Distribution Provider shall charge and the Interconnection Customer(s) shall pay the actual costs of the Interconnection Studies. Where an Interconnection Study is performed by means of a Group Study, the

cost of the Group Study will be charged pro rata to each Interconnection Request assigned to the Study Group. The cost of Interconnection Studies performed for an individual Interconnection Request, not part of a Group Study, or as part of the Independent Study Process, will be charged solely to the Interconnection Customer that submitted the Interconnection Request.

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 amounts for Study Costs.

Attachment 1

Glossary of Terms

10 kW Inverter Process – The procedure for evaluating an Interconnection Request for a certified inverter-based Generating Facility no larger than 10 kW that uses the section 2 screens. The application process uses an all-in-one document that includes a simplified Interconnection Request, simplified procedures, and a brief set of terms and conditions. See GIP Attachment 5.

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 – 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.

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.

Annual Full Capacity Deliverability Study shall mean the annual deliverability study performed by the ISO described in GIP Section 4.22.2, 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 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.

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 – Monday through Friday, excluding Federal Holidays.

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

Cluster Application Window shall mean the time period for submitting Interconnection Requests 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, excluding electricity generated 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 all 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.

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

Deliverability Assessment(s) shall mean the On-Peak Deliverability Assessment set forth in GIP Section 4.8.3.2.1, and the Off-Peak Deliverability Assessment set forth in GIP Section 4.8.3.2.2.

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.

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 - 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 or wholesale distribution 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 – 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.

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 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 3.1.1 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 nondiscriminatory 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 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 or Regulations relating to pollution or protection of the environment or natural resources.

Fast Track Process – The procedure for evaluating an Interconnection Request for a certified Generating Facility no larger than 3 MW that includes the section 2 screens, customer options meeting, and optional supplemental review.

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 shall mean the condition whereby a Generating Facility interconnected with the Distribution System, under coincident ISO Control Area peak demand and a variety of severely stressed system conditions, can deliver the Generating Facility's full output to the aggregate of load on the ISO Grid, consistent with the ISO's reliability criteria and procedures and the ISO's On-Peak Deliverability Assessment as set forth in Section 4.8.3.2.1.

Generating Facility – The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities. A Small Generating Facility is one that has maximum capacity of 20 MW or less. A Large Generating Facility is one that has a maximum capacity of more than 20 MW.

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 Small Generator Interconnection Agreement (SGIA), which is Attachment F to this Wholesale Distribution Tariff, unless the proposed interconnection is for a generating facility larger than 20 MW, in which case references to interconnection agreement are to the Large Generator Interconnection Agreement (LGIA), which is Attachment H to this Wholesale Distribution 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 Attachment 6 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 is studied together, instead of individually, for the purpose of conducting one or more of the Interconnection Studies or analyses therein.

Independent Study Process shall mean the interconnection study process set forth in GIP Section 3.

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 – Any entity, including the Distribution Provider, the 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 – 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 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 3.6

Interconnection Financial Security shall mean any of the financial instruments listed in GIP Sections 3.10 and 4.23.

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 the Generator Interconnection Procedures and the terms of the Distribution Provider's Interconnection Handbook, the terms in the Generator Interconnection Procedures 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.

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 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 Sections 3.2 or 4.2 of the GIP 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 3.5.

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 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.

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

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 indemnifying Party.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request or any other deemed complete interconnection request to the Distribution Provider or the ISO 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 Council 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 Transmission System. Network Upgrades do not include Distribution 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 4.8.3.2.2 of the GIP.

On-Peak Deliverability Assessment shall mean the technical study performed under Section 4.8.3.2.1 of the GIP.

Party or Parties – The 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 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 the GIA, where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities

Point of Interconnection – The point where the Interconnection Facilities connect with 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 Position – The order of a deemed complete Interconnection Request, relative to all other pending deemed complete Interconnection Requests, that is established based upon the date and time of receipt of the deemed complete Interconnection Request by the Distribution Provider.

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 thermal overloads, occurring under any system condition, where such thermal overloads 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.

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 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 Controlled Grid, and Affected Systems from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Distribution Provider's Distribution System, the ISO Controlled 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 – The Distribution Provider's Wholesale Distribution Tariff through which open access distribution service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

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 or wholesale distribution 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.

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.

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.

Upgrades – The required additions and modifications to the Distribution Provider's Transmission System and Distribution System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Attachment 2

**GENERATOR INTERCONNECTION REQUEST
(Application Form)**

Provide **two copies** of this completed form pursuant to Section 7 of this GIP Attachment 2 below.

1. The undersigned Interconnection Customer submits this request to interconnect its Generating Facility with the Distribution Provider's Distribution System (check one):
- Fast Track Process.
 - Independent Study Process.
 - Cluster Study process.
 - One-Time Deliverability Assessment pursuant to GIP Section 4.22.1.
 - Annual Deliverability Assessment pursuant to GIP Section 4.22.2.

2. This Interconnection Request is for (check one):
- A proposed new Generating Facility.
 - An increase in the generating capacity or a Material Modification to an existing Generating Facility.

3. Requested Deliverability Status is for (check one):
- Full Capacity (For Independent Study Process and Cluster Study Process only)
(Note – Deliverability analysis for Independent Study Process is conducted with the next annual Cluster Study – See GIP Section 3.4)
 - Energy Only

4. The Interconnection Customer provides the following information:

- a. Address or location, including the county, of the proposed new Generating Facility site or, in the case of an existing Generating Facility, the name and specific location, including the county, of the existing Generating Facility;

Project Name: _____

Project Location:

Street Address: _____

City, State: _____

County: _____

Zip Code: _____

GPS Coordinates: _____

- 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)

Photovoltaic _____(MW)

Combined Cycle _____(MW)

Other (please describe): _____ (MW)

General description of the equipment configuration (e.g. number, size, type, etc):

- d. Proposed In-Service Date (first date transmission is needed to the facility), Trial Operation date and Commercial Operation Date by day, month, and year and term of service (**dates must be sequential**):

Proposed In-Service Date: _____

Proposed Trial Operation Date: _____

Proposed Commercial Operation Date: _____

Proposed Term of Service (years): _____

- e. Name, address, telephone number, and e-mail address of the Interconnection Customer's contact person (primary person who will be contacted);

Name: _____
Title: _____
Company Name: _____
Street Address: _____
City, State: _____
Zip Code: _____
Phone Number: _____
Fax Number: _____
Email Address: _____
DUNS Number: _____

- f. Approximate location of the proposed Point of Interconnection (i.e., specify transmission 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 GIP Attachment 2, Appendix A. Two (2) copies are required.

5. Applicable deposit amount as specified in the GIP made payable to Pacific Gas and Electric Company. Send check to Distribution Provider (see section 7 for details) along with the:
- a. Attachment 2 to GIP (Interconnection Request) for processing.
 - b. Appendix A to Attachment 2 (Interconnection Request Generating Facility Data).
6. Please attach evidence of Site Exclusivity as specified in the GIP and name(s), address(es) and contact information of site owner(s).
7. This Interconnection Request shall be submitted to the Distribution Provider representative indicated below:

Generator Interconnection Services
Pacific Gas and Electric Company
P.O. Box 770000, Mail Code N7L
San Francisco, CA 94177

Overnight address:
245 Market Street Mail Code N7L
San Francisco, CA 94105

8. Representative of the Interconnection Customer to contact:

[To be completed by the Interconnection Customer]

Name: _____
Title: _____
Company Name: _____
Street Address: _____
City, State: _____
Zip Code: _____
Phone Number: _____
Fax Number: _____
Email Address: _____

9. This Interconnection Request is submitted by:

Legal name of the Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

Appendix A To GIP Attachment 2 Interconnection Request

GENERATING FACILITY DATA

Provide two copies of this completed form pursuant to Section 7 of GIP Attachment 2.

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

- A. Site drawing to scale, showing generator location and Point of Interconnection with the CAISO Controlled Grid.
- B. Single-line diagram showing applicable equipment such as generating units, step-up transformers, auxiliary transformers, switches/disconnects of the proposed interconnection, including the required protection devices and circuit breakers. For wind and photovoltaic generator plants, the one line diagram should include the distribution lines connecting the various groups of generating units, the generator capacitor banks, the step up transformers, the distribution lines, and the substation transformers and capacitor banks at the Point of Interconnection with the CAISO Controlled Grid.

2. Generating Facility Information

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

3. Synchronous Generator – General Information:

(Please repeat the following for each generator model)

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

4. Excitation System Information

(Please repeat the following for each generator model)

- 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?

5. Power System Stabilizer 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?

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

- (7) Average energy rate: _____ kW-hrs/acre-ft
- (8) Estimated yearly energy production: _____ kW-hrs

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

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

7. Induction Generator Data:

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

8. Generator Short Circuit Data

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

- X"1 – positive sequence subtransient reactance: _____ p.u.**
- X2 – negative sequence reactance: _____ p.u.**
- X0 – zero sequence reactance: _____

Generator Grounding (select 1 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

9. Step-Up Transformer Data

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

10. Interconnection Facilities Line Data

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

Nominal Voltage: _____ kV
Line Length: _____ miles
Line termination Points: _____
Conductor Type: _____ Size: _____
If bundled. Number per phase: _____, Bundle spacing: _____ in.
Phase Configuration. Vertical: _____, Horizontal: _____
Phase Spacing: A-B: _____ ft., B-C: _____ ft., C-A: _____ ft.
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

**10a. For Wind/photovoltaic plants, provide collector System Equivalence Impedance Data
Provide values for each equivalence collector circuit at all voltage levels.**

Nominal Voltage: _____
Summer line ratings in amperes (normal and emergency) _____
Positive Sequence Resistance (R1): _____ p.u. ** (for entire line length of each collector circuit)
Positive Sequence Reactance: (X1): _____ 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.** (for entire line length of each collector circuit)
** On 100-MVA and nominal line voltage (kV) Base

11. Wind Generators

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

Average Site Elevation: _____ Single Phase Three Phase

Inverter manufacturer, model name, number, and version:

List of adjustable set points for the protective equipment or software:

Field Volts: _____
Field Amperes: _____
Motoring Power (MW): _____
Neutral Grounding Resistor (If Applicable): _____
I22t or K (Heating Time Constant): _____
Rotor Resistance: _____
Stator Resistance: _____
Stator Reactance: _____
Rotor Reactance: _____
Magnetizing Reactance: _____
Short Circuit Reactance: _____
Exciting Current: _____
Temperature Rise: _____
Frame Size: _____
Design Letter: _____
Reactive Power Required In Vars (No Load): _____
Reactive Power Required In Vars (Full Load): _____
Total Rotating Inertia, H: _____ Per Unit on 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.

12. Load Flow and Dynamic Models:

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.

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

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

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

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 at 100% Voltage _____ 110% Voltage _____

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

Attachment 3

Certification Codes and Standards

IEEE1547 Standard for Interconnecting Distributed Resources with Electric Power Systems
(including use of IEEE 1547.1 testing protocols to establish conformity)

UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV)
Systems NFPA 70 (2002), National Electrical Code

IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for
Protective Relays and Relay Systems

IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated
Electromagnetic Interference from Transceivers

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers IEEE
Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors

IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low
Voltage (1000V and Less) AC Power Circuits

IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment
Connected to Low-Voltage (1000V and Less) AC Power Circuits

ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz)

IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms NEMA MG 1-
1998, Motors and Small Resources, Revision 3

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in
Electrical Power Systems

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1

Attachment 4

Certification of Generator Equipment Packages

- 1.0 Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced below by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in GIP Attachment 3, (2) it has been labeled and is publicly listed by such NRTL at the time of the interconnection application, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer's literature accompanying the equipment.
- 2.0 The Interconnection Customer must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.
- 3.0 Certified equipment shall not require further type-test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the parties to the interconnection nor follow-up production testing by the NRTL.
- 4.0 If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Customer must show that the generator or other electric source being utilized with the equipment package is

compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.

- 5.0 Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components' labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the customer side of the point of common coupling shall be required to meet the requirements of this interconnection procedure.
- 6.0 An equipment package does not include equipment provided by the utility.
- 7.0 Any equipment package approved and listed in a state by that state's regulatory body for interconnected operation in that state prior to the effective date of these generator interconnection procedures shall be considered certified under these procedures for use in that state.

Attachment 5

Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-Based Generating Facility No Larger than 10 kW ("10 kW Inverter Process")

- 1.0 The Interconnection Customer ("Customer") completes the Interconnection Request ("Application") and submits it to the Distribution Provider ("Company").
- 2.0 The Company acknowledges to the Customer receipt of the Application within three (3) Business Days of receipt.
- 3.0 The Company evaluates the Application for completeness and notifies the Customer within ten (10) Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.
- 4.0 The Company verifies that the Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the Generator Interconnection Procedures (GIP). The Company has fifteen (15) Business Days to complete this process. Unless the Company determines and demonstrates that the Generating Facility cannot be interconnected safely and reliably, the Company approves the Application and returns it to the Customer. Note to Customer: Please check with the Company before submitting the Application if disconnection equipment is required.
- 5.0 After installation, the Customer returns the Certificate of Completion to the Company. Prior to parallel operation, the Company may inspect the Generating Facility for compliance with standards which may include a witness test, and may schedule appropriate metering replacement, if necessary.
- 6.0 The Company notifies the Customer in writing that interconnection of the Generating Facility is authorized. If the witness test is not satisfactory, the Company has the right to disconnect the Generating Facility. The Customer has no right to operate in parallel until a witness test has been performed, or previously waived on the Application. The

Company is obligated to complete this witness test within ten (10) Business Days of the receipt of the Certificate of Completion. If the Company does not inspect within ten (10) Business Days or by mutual agreement of the Parties, the witness test is deemed waived.

- 7.0 Contact Information – The Customer must provide the contact information for the legal applicant (i.e., the Interconnection Customer). If another entity is responsible for interfacing with the Company, that contact information must be provided on the Application.
- 8.0 Ownership Information – Enter the legal names of the owner(s) of the Generating Facility. Include the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either.
- 9.0 UL1741 Listed – This standard ("Inverters, Converters, and Controllers for Use in Independent Power Systems") addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers submit their equipment to a Nationally Recognized Testing Laboratory (NRTL) that verifies compliance with UL1741. This "listing" is then marked on the equipment and supporting documentation.

**Application for Interconnecting a Certified Inverter-Based Generating Facility
No Larger than 10kW**

This Application is considered complete when it provides all applicable and correct information required below and the documentation of site control pursuant to Section 1.5 of the GIP. Additional information to evaluate the Application may be required.

Processing Fee

A non-refundable processing fee of \$100 must accompany this Application.

Interconnection Customer

Name: _____

Contact Person: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Contact (if different from Interconnection Customer)

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Owner of the facility (include % ownership by any electric utility): _____

Generating Facility Information

Location (if different from above): _____

Electric Service Company: _____

Account Number: _____

Inverter Manufacturer: _____ Model _____

Nameplate Rating: _____ (kW) _____ (kVA) _____ (AC Volts)

Single Phase _____ Three Phase _____

System Design Capacity: _____ (kW) _____ (kVA)

Prime Mover: Photovoltaic Reciprocating Engine Fuel Cell

Turbine Other _____

Energy Source: Solar Wind Hydro Diesel Natural Gas

Fuel Oil Other (describe) _____

Is the equipment UL1741 Listed? _____ Yes _____ No

If Yes, attach manufacturer's cut-sheet showing UL1741 listing

Estimated Installation Date: _____ Estimated In-Service Date: _____

The 10 kW Inverter Process is available only for inverter-based Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Attachments 3 and 4

of the Generator Interconnection Procedures (GIP), or the Distribution Provider has reviewed the design or tested the proposed Generating Facility and is satisfied that it is safe to operate.

List components of the Generating Facility equipment package that are currently certified:

	Equipment Type	Certifying Entity
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

Interconnection Customer Signature

I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Terms and Conditions for Interconnecting an Inverter-Based Generating Facility No Larger than 10kW and return the Certificate of Completion when the Generating Facility has been installed.

Signed: _____

Title: _____ Date: _____

Contingent Approval to Interconnect the Generating Facility

(For Company use only)

Interconnection of the Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Generating Facility No Larger than 10kW and return of the Certificate of Completion.

Company Signature: _____

Title: _____ Date: _____

Application ID number: _____

Company waives inspection/witness test? Yes _____ No _____

Generating Facility Certificate of Completion

Is the Generating Facility owner-installed? Yes _____ No _____

Interconnection Customer: _____

Contact Person: _____

Address: _____

Location of the Generating Facility (if different from above):

City: _____ State: _____ Zip Code: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Electrician:

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

License number: _____

Date Approval to Install Facility granted by the Company: _____

Application ID number: _____

Inspection:

The Generating Facility has been installed and inspected in compliance with the local building/electrical code of _____

Signed (Local electrical wiring inspector, or attach signed electrical inspection):

Print Name: _____

Date: _____

As a condition of interconnection, you are required to send/fax a copy of this form along with a copy of the signed electrical permit to (insert Company information below):

Name: _____

Company: _____

Address: _____

City, State ZIP: _____

Fax: _____

Approval to Energize the Generating Facility (For Company use only)

Energizing the Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Generating Facility No Larger than 10kW

Company Signature: _____

Title: _____ Date: _____

Terms and Conditions for Interconnecting an Inverter-Based Generating Facility No Larger than 10kW

1.0 Construction of the Facility

The Interconnection Customer (the "Customer") may proceed to construct (including operational testing not to exceed two hours) the Generating Facility when the Distribution Provider (the "Company") approves the Interconnection Request (the "Application") and returns it to the Customer.

2.0 Interconnection and Operation

The Customer may operate Generating Facility and interconnect with the Company's electric system once all of the following have occurred:

- 2.1 Upon completing construction, the Customer will cause the Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and
- 2.2 The Customer returns the Certificate of Completion to the Company, and
- 2.3 The Company has either:
 - 2.3.1 Completed its inspection of the Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by the Company, at its own expense, within ten (10) Business Days after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. The Company shall provide a written statement that the Generating Facility has passed inspection or shall notify the Customer of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or

2.3.2 If the Company does not schedule an inspection of the Generating Facility within ten (10) Business Days after receiving the Certificate of Completion, the witness test is deemed waived (unless the Parties agree otherwise); or

2.3.3 The Company waives the right to inspect the Generating Facility.

2.4 The Company has the right to disconnect the Generating Facility in the event of improper installation or failure to return the Certificate of Completion.

2.5 Revenue quality metering equipment must be installed and tested in accordance with applicable ANSI standards.

3.0 **Safe Operations and Maintenance**

The Customer shall be fully responsible to operate, maintain, and repair the Generating Facility as required to ensure that it complies at all times with the interconnection standards to which it has been certified.

4.0 **Access**

The Company shall have access to the disconnect switch (if the disconnect switch is required) and metering equipment of the Generating Facility at all times. The Company shall provide reasonable notice to the Customer when possible prior to using its right of access.

5.0 **Disconnection**

The Company may temporarily disconnect the Generating Facility upon the following conditions:

5.1 For scheduled outages upon reasonable notice.

5.2 For unscheduled outages or emergency conditions.

5.3 If the Generating Facility does not operate in the manner consistent with these Terms and Conditions.

5.4 The Company shall inform the Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.

6.0 **Indemnification**

The Parties shall at all times indemnify, defend, and save 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 agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.0 **Insurance**

The Parties each agree to maintain commercially reasonable amounts of insurance.

8.0 **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, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.0.

9.0 **Termination**

The agreement to operate in parallel may be terminated under the following conditions:

9.1 **By the Customer**

By providing written notice to the Company.

9.2 **By the Company**

If the Generating Facility fails to operate for any consecutive 12 month period or the Customer fails to remedy a violation of these Terms and Conditions

9.3 **Permanent Disconnection**

In the event this Agreement is terminated, the Company shall have the right to disconnect its facilities or direct the Customer to disconnect its Generating Facility.

9.4 **Survival Rights**

This Agreement shall continue in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.

10.0 **Assignment/Transfer of Ownership of the Facility**

This Agreement shall survive the transfer of ownership of the Generating Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies the Company.

Attachment 6

**ATTACHMENT 6 to GIP
GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT**

THIS AGREEMENT is made and entered into this ___ day of _____, 20___ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ 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;

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 agreed 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, including any accelerated Interconnection Study, consistent with the GIP.
- 3.0 The scope of the Interconnection Studies shall be subject to the assumptions set forth in Appendices A and B to this Agreement.
- 4.0 The Interconnection Studies will be based upon the technical information provided by 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 4.11.2 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 4.23.2 on or before ninety (90) Calendar Days after publication of the final Phase I Interconnection Study report.

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 8.7 of the GIP.
- 7.0 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.
- 8.0 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 and Distribution Upgrades that may be incurred by the Interconnection Customer as a result of changes in such data and assumptions.

- 9.0 The Distribution Provider shall maintain records and accounts of all costs incurred in performing the Interconnection Study in sufficient detail to allow verification of all costs incurred, including associated overheads. The Interconnection Customer shall have the right, upon reasonable notice, within a reasonable time at the 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.
- 10.0 In accordance with Section 8 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 8.3 and 5.5 of the GIP.
- 11.0 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 4.7 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 8.1 of the GIP.
- 12.0 Miscellaneous.
- 12.1 Dispute Resolution.

12.1.1 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.

12.1.2 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 12.1.2, the terms of this Section 12.1.2 shall prevail.

12.1.3 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 this 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.

12.1.4 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.

12.2 Confidentiality. Confidential Information shall be treated in accordance with Section 5.5 of the GIP.

12.3 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.

- 12.4 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.
- 12.5 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".
- 12.6 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.

- 12.7 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.
- 12.8 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.
- 12.9 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.
- 12.10 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.
- 12.11 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by both of the Parties.
- 12.12 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.

- 12.13 **Reservation of Rights.** The Distribution Provider shall each 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.
- 12.14 **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.
- 12.15 **Assignment.** This Agreement may be assigned by a Party only with the written consent of the other Party; provided that a Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that the Interconnection Customer shall have the right to assign this Agreement, without the consent of the other Party, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided

that the Interconnection Customer will require any secured party, trustee or mortgagee to notify the other Party of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this Section will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the other Party of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

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

[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: _____

**Appendix A To Attachment 6
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 4.11.2 of the GIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

Deliverability status requested (full capacity or energy only) _____

**Appendix B to Attachment 6
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 simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing Distribution Provider station. 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 one line diagram).

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

What protocol does the control system or PLC use?

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

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to 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 provider: _____

Please provide proposed schedule dates:

Environmental survey start: Date _____

Environmental impact report submittal: Date _____

Procurement of project equipment: Date _____

Begin Construction Date: _____

Generator step-up transformer Date: _____

receives back feed power

Generation Testing Date: _____

Commercial Operation Date: _____

Level of ISO Grid Deliverability: Choose one of the following:

_____ Energy Only

_____ Full Capacity

Attachment 7

Interconnection System Impact Study Agreement

THIS AGREEMENT is made and entered into this _____ day of _____ 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____, 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, the Interconnection Customer is proposing to develop a Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Generating Facility with the Distribution Provider's Distribution System;

WHEREAS, the Interconnection Customer has requested the Distribution Provider to perform a system impact study(s) to assess the impact of interconnecting the Generating Facility with the Distribution Provider's Distribution System, and of any Affected Systems;

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Generator Interconnection Procedures.

- 2.0 The Interconnection Customer elects and the Distribution Provider shall cause to be performed a system impact study(s) consistent with the standard Generator Interconnection Procedures in accordance with the Wholesale Distribution Tariff.
- 3.0 The scope of an Interconnection System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 An Interconnection System Impact Study will be based upon the technical information provided by Interconnection Customer in the Interconnection Request. The Distribution Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection System Impact Study. If the Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the Interconnection System Impact Study may be extended.
- 5.0 An Interconnection System Impact Study shall consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary. An 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. An Interconnection System Impact Study shall provide a list of facilities that are required as a result of the Interconnection Request and non-binding good faith estimates of cost responsibility and time to construct.
- 6.0 An Interconnection System Impact Study shall incorporate a distribution load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.

- 7.0 Affected Systems may participate in the preparation of an Interconnection System Impact Study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon an Interconnection System Impact Study that covers potential Adverse System Impacts on their electric systems, and the Distribution Provider has twenty (20) additional Business Days to complete an Interconnection System Impact Study requiring review by Affected Systems.
- 8.0 If the Distribution Provider uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the Interconnection System Impact Study shall consider all generating facilities (and with respect to paragraph 8.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the Interconnection System Impact Study is commenced –
- 8.1 Are directly interconnected with the Distribution Provider's electric system; or
- 8.2 Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and
- 8.3 Have a pending higher queued Interconnection Request to interconnect with the Distribution Provider's electric system.
- 9.0 An Interconnection System Impact Study, if required, shall be completed and the results transmitted to the Interconnection Customer within sixty (60) Business Days after this Agreement is signed by the Parties, or in accordance with the Distribution Provider's queuing procedures.
- 10.0 A deposit of the equivalent of the good faith estimated cost of an Interconnection System Impact Study may be required from the Interconnection Customer.
- 11.0 Any study fees shall be based on the Distribution Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within thirty (30) Calendar Days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Distribution Provider shall refund such excess within thirty (30) Calendar Days of the invoice without interest.

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]

[Insert name of Interconnection Customer]

Signed _____

Signed _____

Name (Printed):

Name (Printed):

Title _____

Title _____

Project Name _____

Project Queue _____

Attachment A
to Interconnection System Impact Study Agreement

Assumptions Used in Conducting the Interconnection System Impact Study

The Interconnection System Impact Study shall be based upon the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with the standard Generator Interconnection Procedures, and the following assumptions:

1) Designation of Point of Interconnection and configuration to be studied.

2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Distribution Provider.

Attachment 8

Interconnection Facilities Study Agreement

THIS AGREEMENT is made and entered into this _____ day of _____ 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____, 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, the Interconnection Customer is proposing to develop a Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Generating Facility with the Distribution Provider's Transmission System;

WHEREAS, the Distribution Provider has completed an Interconnection System Impact Study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Distribution Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Generating Facility with the Distribution Provider's Transmission System.

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Distribution Provider shall cause a facilities study consistent with the standard Generator Interconnection Procedures to be performed in accordance with the Wholesale Distribution Tariff.
- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.
- 4.0 The 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(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Distribution Provider's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.
- 5.0 The Distribution Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Generating Facility if it is willing to pay the costs of those facilities.
- 6.0 A deposit of the good faith estimated facilities study costs may be required from the Interconnection Customer.
- 7.0 In cases where Upgrades are required, the facilities study must be completed within sixty (60) Business Days of the receipt of this Agreement. In cases where no Upgrades are

necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within forty-five (45) Business Days.

- 8.0 Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the facilities study report transmitted within sixty (60) Business Days of the Interconnection Customer's agreement to conduct a facilities study.
- 9.0 Any study fees shall be based on the Distribution Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 10.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within thirty (30) Calendar Days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Distribution Provider shall refund such excess within thirty (30) Calendar Days of the invoice without interest.

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

[Insert name of Distribution Provider]

[Insert name of Interconnection Customer]

Signed _____

Signed _____

Name (Printed):

Name (Printed):

Title _____

Title _____

Project Name _____

Project Queue _____

Attachment A
to Interconnection Facilities Study Agreement

Data to Be Provided by the Interconnection Customer
with the Interconnectin Facilities Study Agreement

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

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

One set of metering is required for each generation connection to the new ring bus or existing Distribution Provider station. Number of generation connections: _____

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 the Generating Facility?

What protocol does the control system or PLC use?

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

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to Distribution Provider's Transmission System.

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 located in Distribution Provider's service area?

Yes ___ No ___ If No, please provide name of local provider:

Please provide the following proposed schedule dates:

Begin Construction Date: _____

Generator step-up transformers
receive back feed power Date: _____

Generation Testing Date: _____

Commercial Operation Date: _____