

SAN DIEGO GAS & ELECTRIC COMPANY

**OPEN ACCESS DISTRIBUTION TARIFF
VOLUME NO. 6**

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1. PREAMBLE AND APPLICABILITY

1.1 Preamble: San Diego Gas & Electric Company (SDG&E) hereby offers open access, wholesale distribution service to Eligible Customers, under the rates, terms and conditions set forth in this Wholesale Distribution Open Access Tariff (Tariff).

1.2 Applicability. Distribution Service is limited to Eligible Customers seeking new Distribution Service and to existing Distribution Customers seeking to modify Distribution Service. This Tariff may not be used for: 1) CPUC jurisdictional or otherwise retail electric service; 2) service that does not originate or terminate on the ISO Controlled Grid; 3) service prohibited under Section 212(h) of the Federal Power Act; or 4) service that is otherwise in conflict with the provisions of this Tariff, State or Federal law, or the rules and regulations of an agency or organization to which SDG&E may be subject.

2. DEFINITIONS

Capitalized terms used in this Tariff shall have the meaning set out below unless otherwise stated in this Tariff.

2.1 Ancillary Services: As indicated by Good Utility Practice, services necessary to transmit capacity and energy from resources to load while maintaining reliable transmission system operation.

2.2 Application: A request for Distribution Service pursuant to Section 15 of this Tariff.

2.3 CIAC - Contribution In-Aid-of Construction: All property, including

money, received by SDG&E from an Eligible Customer to provide for the installation, improvement, replacement, or expansion of SDG&E Distribution Facilities.

2.4 Commission: The Federal Energy Regulatory Commission.

2.5 Completed Application: An Application meeting all of the requirements of Section 15 of this Tariff and all other applicable Tariff terms and conditions.

2.6 CPUC: The California Public Utilities Commission.

2.7 Curtailment: A reduction in Distribution Service ordered by SDG&E to address system reliability conditions or pursuant to a directive from the ISO.

2.8 Designated Agent: An entity that performs actions pursuant to the Tariff on the behalf of a Distribution Customer or SDG&E. Any such entity must be either: 1) a registered energy service provider as that term is defined by CPUC regulations, California State law or both; or 2) owned, operated, directly managed, or staffed by a California Licensed Professional Engineer with a minimum of 15 years' experience in the electric utility industry.

2.9 Direct Assignment Facilities: Distribution Facilities or portions of those facilities that are constructed by SDG&E for the sole use or benefit of a particular Distribution Customer.

2.10 Distribution Customer: An Eligible Customer (or its Designated Agent) receiving Distribution Service.

2.11 Distribution Service: Service under this Tariff, limited to: 1) delivery of resources from the ISO Controlled Grid to the loads of Load Serving Entities interconnected to the Distribution System; or 2) providing Generators interconnected to the Distribution System access to the ISO Controlled Grid. Any service that does not originate or terminate on the ISO Controlled Grid is specifically prohibited.

2.12 Distribution System: Facilities owned, operated and controlled by SDG&E that are used to transmit electricity but that are not a part of the ISO Controlled Grid. Distribution Facilities are those facilities that comprise the Distribution System.

2.13 Eligible Customer: Any electric utility (including SDG&E), power marketing agency, or any person generating or purchasing electric energy for resale. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico.

2.14 Facilities Study: An engineering study conducted by SDG&E to determine any required modifications to the Distribution System, including the cost and scheduled completion date for such modifications, that will be required to provide Distribution Service.

2.15 Generator: A facility that produces electric energy for delivery to the ISO Controlled Grid.

2.16 Good Utility Practice: Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time

period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region. Good Utility Practice includes the development of standard practices and operating procedures that are responsive to ISO regulations, neighboring utilities (including SDG&E), regulatory agencies and other government entities.

2.17 ISO: The California Independent System Operator or successor organization. The ISO Tariff is the Commission-approved tariff filed by the ISO. The ISO Controlled Grid is comprised of those facilities under the operational control of the ISO, as defined in the ISO Tariff and as approved by the Commission.

2.18 ITCC: Income Tax Component of Contributions is the Federal and State tax SDG&E pays on income received as a CIAC.

2.19 Load Serving Entity (LSE): An Eligible Customer or Distribution Customer that receives capacity and energy from the ISO Controlled Grid for delivery to load interconnected to the Distribution System.

2.20 Load Shedding: The reduction of system demand by a Load Serving Entity.

2.21 Party or Parties: SDG&E, Eligible Customers and Distribution Customers.

2.22 Service Agreement: The initial agreement and any amendments or supplements specifying the rates, terms and conditions for Distribution Service to a specific Distribution Customer.

2.23 System Impact Study: An assessment by SDG&E of (i) the adequacy of the Distribution Facilities to accommodate a request for Distribution Service and (ii) whether any additional costs may be incurred in order to provide Distribution Service. The System Impact Study shall identify any system constraints and redispatch options and Direct Assignment Facilities required to provide the requested service.

3. ANCILLARY SERVICES

Ancillary Services are not available under this Tariff. As a condition to service under this Tariff, all Distribution Customers must comply with all ISO Tariff requirements, including those governing Ancillary Services. Upon reasonable notice, Distribution Customers must provide SDG&E with verifiable documentation of ISO Tariff compliance.

4. LOCAL FURNISHING BONDS

4.1 Applicability: This provision is applicable only in the event that SDG&E has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this Tariff, the SDG&E shall not be required to provide Distribution Service if the provision of such Distribution Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the facilities that would be used in providing such Distribution Service.

4.2 Alternative Procedures for Requesting Distribution Service:

(i) If the SDG&E determines that the provision of Distribution Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Distribution Service, it shall advise the Eligible Customer within thirty (30) days of receipt of a Completed Application.

If the Eligible Customer thereafter renews its request for the same Distribution Service referred to in Section 4.2(i) of this Tariff by tendering an application under Section 211 of the Federal Power Act, SDG&E will, within ten (10) days of receiving a copy of the Section 211 application, waive its rights to object to the issuance of a proposed order under Section 212(c) of the Federal Power Act.

5. BILLING AND PAYMENT

5.1 Billing Procedure: Within a reasonable time after the first day of each month, SDG&E shall submit an invoice to the Distribution Customer for the charges for all services furnished under this Tariff during the preceding month. The Distribution Customer shall pay the invoice within twenty (20) days of receipt. All payments shall immediately be made in U.S. funds payable to SDG&E. If payment is by wire transfer, payment shall be to a bank named by SDG&E and to an account number in the name of SDG&E.

5.2 Interest on Unpaid Balances: Interest on any unpaid amounts (including

amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by SDG&E.

5.3 Customer Default: In the event the Distribution Customer fails, for any reason other than a billing dispute as described below, to make payment to SDG&E on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after SDG&E notifies the Distribution Customer in writing to cure such failure, a default by the Distribution Customer shall be deemed to exist. Upon the occurrence of a default, SDG&E may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission approves any such request. In the event of a billing dispute between SDG&E and the Distribution Customer, SDG&E will continue to provide service under the Service Agreement as long as the Distribution Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Distribution Customer fails to meet these two requirements for continuation of service, then SDG&E may provide written notice to the Distribution Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

6. REGULATORY FILINGS

Nothing contained in this Tariff or any Service Agreement, except to the extent provided in

such Service Agreement, shall be construed as affecting in any way the right of SDG&E to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Nothing contained in this Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under this Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

7. UNCONTROLLABLE FORCE AND INDEMNIFICATION

7.1 Uncontrollable Force: An Uncontrollable Force means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities or any other cause beyond the reasonable control of SDG&E or a Distribution Customer which could not be avoided through the exercise of Good Utility Practice. Neither SDG&E nor a Distribution Customer will be considered in default of any obligation under this Tariff or Service Agreement if prevented from fulfilling that obligation due to the occurrence of an Uncontrollable Force.

7.2 Occurrence of Uncontrollable Force: In the event of the occurrence of an

Uncontrollable Force which prevents SDG&E or a Distribution Customer from performing any of its obligations under this Tariff, the affected entity shall (i) if it is SDG&E, immediately notify the Distribution Customer in writing of the occurrence of such Uncontrollable Force and, if it is a Distribution Customer, immediately notify SDG&E in writing of the occurrence of such Uncontrollable Force; (ii) not be entitled to suspend performance of its obligations under this Tariff in any greater scope or for any longer duration than is required by the Uncontrollable Force; (iii) use its best efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform and resume full performance of its obligations hereunder; (iv) in the case of SDG&E, keep the Distribution Customer apprised of such efforts, and in the case of the Distribution Customer, keep SDG&E apprised of such efforts, in each case on a continual basis; and (v) provide written notice of the resumption of its performance of its obligations hereunder.

Notwithstanding any of the foregoing, the settlement of any strike, lockout or labor dispute constituting an Uncontrollable Force shall be within the sole discretion of the entity involved in such strike, lockout or labor dispute and the requirement that an entity must use its best efforts to mitigate the effects of the Uncontrollable Force and/or remedy its inability to perform and resume full performance of its obligations hereunder shall not apply to strikes, lockouts, or labor disputes.

7.3 Liability for Damages: SDG&E shall not be liable for damages to any Distribution Customer for any losses, damages, claims, liability, costs or expenses (including legal expenses) arising from the performance or nonperformance of its obligations under this Tariff, except to the extent that they result from negligence or

intentional wrongdoing on the part of SDG&E.

7.4 Exclusion of Certain Types of Loss: SDG&E shall not be liable to any Distribution Customer under any circumstances for any consequential or indirect financial loss including but not limited to loss of profit, loss of earnings or revenue, loss of use, loss of contract or loss of goodwill except to the extent that it results from negligence or intentional wrongdoing on the part of SDG&E.

7.5 Distribution Customer Indemnity: Each Distribution Customer, to the extent permitted by law, shall indemnify SDG&E and hold it harmless against all losses, damages, claims, liabilities, costs or expenses (including legal expenses) arising from any act or omission of the Distribution Customer except to the extent that they result from SDG&E's default under this Tariff or negligence or intentional wrongdoing on the part of SDG&E or of its officers, directors or employees.

8. CREDITWORTHINESS

For the purpose of determining the ability of an Eligible Customer or a Distribution Customer to meet its obligations related to service hereunder, SDG&E may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices. In addition, SDG&E may require an Eligible Customer or a Distribution Customer to provide and maintain in effect during the term of the Service Agreement, an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under the Tariff, or an alternative form of security proposed by an Eligible Customer or a Distribution Customer and acceptable to SDG&E and consistent with commercial practices established by the Uniform Commercial Code that

protects SDG&E against the risk of non-payment. SDG&E will determine on a non-discriminatory basis whether security will be required. Absent a material adverse change in the creditworthiness of a Distribution Customer, security will not be required where the Distribution Customer has previously established its creditworthiness pursuant to a tariff, rate schedule, or service contract for service provided by SDG&E, and has not defaulted on its obligation under that applicable tariff or rate schedule.

9. DISPUTE RESOLUTION PROCEDURES

9.1 Internal Dispute Resolution Procedures: Any dispute between a Distribution Customer and the Distribution Provider involving Distribution Service under this Tariff (excluding applications for rate changes or other changes to this Tariff, or to any Service Agreement entered into under this Tariff, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of the Distribution Provider and a senior representative of the Distribution Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

9.2 External Arbitration Process: Any arbitration initiated under the Tariff 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) days of the referral 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) 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, distribution 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 generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules. Where a dispute involves facts and issues that are the subject of a dispute pending under the ISO Tariff or the TO Tariff ADR Procedures, the dispute may be consolidated with the other pending proceeding(s) by the agreement of the parties to the dispute, which agreement shall not be unreasonably withheld.

9.3 Arbitration Decisions: Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) 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 Tariff and any Service Agreement entered into under this Tariff and shall have no power to modify or change any of the above 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 arbitration decision shall be based on (i) the evidence in the record, (ii) the terms of the WDT, (iii) applicable United States federal law, including the FPA and any applicable FERC regulations and decisions, and international treaties or agreements as applicable, and (iv) applicable state law. The decision of the arbitrator(s) may be appealed solely on the grounds set forth in California Law. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or

facilities.

9.4 Costs: Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

- (i) 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
- (ii) one half the cost of the single arbitrator jointly chosen by the Parties.

9.5 Rights Under The Federal Power Act: Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

10 GOVERNING LAW

Except as otherwise provided by federal law, this Tariff shall be governed by and construed in accordance with the laws of the state of California.

11. [Not Used]

12. NATURE OF DISTRIBUTION SERVICE

12.1 [Not Used]

12.2 Term: The minimum term of Distribution Service shall be five years and the maximum term shall be as specified in the Service Agreement.

12.3 Reservation Priority: Distribution Service shall be available on a first-come, first-served basis i.e., in the chronological sequence in which each Eligible Customer has submitted a Completed Application. If the Distribution System becomes oversubscribed, requests for longer term service may preempt requests for shorter term service. If existing Distribution Facilities are insufficient to satisfy

all Applications, an Eligible Customer with a service request for shorter term service has the right of first refusal to match any longer term request for service before losing its service priority. A longer term competing request for Distribution Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours from being notified in writing by SDG&E of a longer-term competing request for Distribution Service.

12.4 Use of Distribution Service by SDG&E: SDG&E will be subject to the rates, terms and conditions of this Tariff when utilizing its Distribution System for transactions not for the benefit of SDG&E's wholesale or CPUC jurisdictional customers. Accounting for such transactions shall be maintained separately.

12.5 Service Agreements: SDG&E shall offer a standard form Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Distribution Service. Executed Service Agreements shall be filed with the Commission by SDG&E in compliance with applicable Commission regulations.

12.6 Distribution Customer Obligations for Facility Additions or Redispatch

Costs: In cases where SDG&E determines that its Distribution Facilities are not capable of providing Distribution Service without (1) degrading or impairing the reliability of service to SDG&E CPUC jurisdictional customers or existing Distribution Customers, or (2) interfering with SDG&E's ability to meet prior firm contractual commitments to others, SDG&E will expand or upgrade its distribution system pursuant to the terms of Section 13 of this Tariff. The Distribution Customer must compensate SDG&E for any necessary Distribution Facility additions pursuant to the terms of Section 23 of this Tariff. To the extent SDG&E can relieve any system constraint more economically by redispatching SDG&E's resources

than through constructing upgrades, it shall do so, provided that the Eligible Customer agrees to compensate SDG&E pursuant to the terms of Section 23 of this Tariff. Any redispatch or Distribution System upgrade costs to be charged to the Distribution Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service. Nothing in this section or Tariff shall be construed to require SDG&E to expand or upgrade the Distribution System in a manner that may cause risk to the safe and reliable operation of the Distribution System.

12.7 Curtailment of Distribution Service

12.7.1 Protocols:

Prior to execution of any Service Agreement, SDG&E and an Eligible Customer shall reach agreement on written protocols governing circumstances for curtailing Distribution Service . Such protocols shall be in accord with the provisions set forth in this section, shall include provisions for mandatory Load Shedding, and shall set forth the procedures a Distribution Customer shall follow when ordered to curtail by SDG&E

12.7.2 Conditions Requiring Curtailment:

A condition or conditions requiring curtailment exist any time when: 1) SDG&E determines that a constraint or circumstance exists on all or a portion of its Distribution System, and such constraint may impair the reliability or safety of its Distribution System; or 2) ISO issues a directive or directives to SDG&E under similar circumstances. In the event any adverse condition(s) or disturbance(s), directly or indirectly interconnected with SDG&E's Distribution System, occur, SDG&E, consistent with Good Utility Practice, also may curtail Distribution Service in order to (i) limit the extent or damage of the adverse condition(s) or

disturbance(s), (ii) prevent damage to distribution facilities, or (iii) expedite restoration of service. SDG&E will give the Distribution Customer as much advance notice as is practicable in the event of such curtailment.

12.7.3 SDG&E's Rights:

In response to a Section 12.7.2 condition, SDG&E may take whatever actions, consistent with Good Utility Practice, are reasonably necessary to maintain the safety and reliability of SDG&E's Distribution System.

12.7.4 Distribution Customer Obligation:

Distribution Customers must abide by all orders issued by SDG&E pursuant to this section, including but not limited to curtailing of ISO scheduled deliveries or physical disconnection of Distribution Customer facilities from SDG&E Distribution Facilities.

12.7.5 Liability:

All SDG&E actions taken pursuant to this section are without liability on SDG&E's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Distribution Service would endanger persons or property.

12.8 Classification of Distribution Service:

There shall be two types of Distribution Service:

- (a) LSE Service: Delivery of resources from the ISO Controlled Grid to LSE load located on the Distribution System.
- (b) Generator Service: Use of the Distribution System to deliver Generator output to the ISO Controlled Grid.

12.9 Scheduling of Distribution Service:

Separate Distribution Service schedules in addition to ISO Tariff required schedules shall not be required under this Tariff. Notwithstanding anything to the contrary in this section, upon reasonable notice, SDG&E reserves the right to verify or monitor Distribution Customer ISO Tariff schedules for coordination with Distribution System requirements.

12.10 Self Provision of Ancillary Services: To the extent a Distribution Customer is eligible to self provide or sell Ancillary Services under the terms of the ISO Tariff, nothing in this Tariff limits the right of a Distribution Customer to do so, except when emergency conditions preclude such transactions. Except to the extent that a Distribution Customer may be called upon to provide reactive power support consistent with the operations of SDG&E, a Distribution Customer must maintain power factor at the interface between the Distribution Customer's facilities and SDG&E's facilities pursuant to Section 20.4 of this Tariff.

12.11 Conflict with the ISO Tariff. If a Distribution Customer or SDG&E identifies a conflict between this Tariff or a Service Agreement and the ISO Tariff, SDG&E and the Distribution Customer shall make good-faith efforts to resolve the conflict. If the Parties are unable to informally resolve the conflict, the Parties shall use the Dispute Resolution Procedures set forth in Section 9 of this Tariff.

12.12 Conflicting Operating Instructions. In the event a Distribution Customer receives conflicting operating instructions from the ISO, one or more Participating Transmission Owners (as that term is defined in the ISO Tariff) or SDG&E, and, if human safety would not knowingly be jeopardized nor electric facilities subject to damage while the Distribution Customer seeks to reconcile the conflict with the

appropriate ISO, prior to taking action, SDG&E and the Distribution Customer should attempt a reconciliation. Otherwise, the Distribution Customer shall adhere to the applicable ISO Tariff provisions and follow the ISO's instructions. In no event shall a Distribution Customer be required to follow operating instructions from the ISO if following those instructions would knowingly jeopardize human safety.

13. SERVICE AVAILABILITY

13.1 Distribution Service that Requires Expansion or Modification of Distribution

Facilities: If SDG&E determines that it cannot accommodate a Completed Application for Distribution Service because of insufficient capacity on its Distribution Facilities, SDG&E will use due diligence to expand or modify its Distribution Facilities to provide the requested Distribution Service, provided the Distribution Customer agrees to compensate SDG&E for such costs pursuant to the terms of Section 23 of this Tariff. SDG&E will conform to Good Utility Practice in determining the need for new facilities and in the design and construction of such facilities. All such obligations apply only to those Distribution Facilities that SDG&E has the right to expand or modify. Notwithstanding anything to the contrary in this section or any other provisions in this Tariff, SDG&E reserves the right to refuse to implement expansions or modifications that may cause risk to the safe and reliable operation of the Distribution System.

13.2 Deferral of Service: SDG&E may defer providing service until it completes construction of new Distribution Facilities or upgrades needed to provide Distribution Service whenever SDG&E determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing services.

13.3 Other Distribution Service Schedules: Any customer receiving service under other agreements on file with the Commission may continue to receive service under those agreements until such time as the Commission may modify those agreements.

13.4 Real Power Losses: Real Power Losses are associated with all Distribution Service. SDG&E is not obligated to provide Real Power Losses. The Distribution Customer is responsible for compensating SDG&E for losses associated with all Distribution Service as calculated by SDG&E. Real Power Losses associated with Distribution Service are calculated by multiplying the metered quantity, whether energy or demand, by the Real Power Loss Factor calculated by SDG&E. The applicable Real Power Loss Factors for Distribution Service over the Distribution System will be set forth in the Service Agreement.

14. ELIGIBLE AND DISTRIBUTION CUSTOMER RESPONSIBILITIES

14.1 Conditions Required of Eligible Customers: Distribution Service shall be provided by SDG&E only if the Eligible Customer satisfies the following conditions:

- i. Submission of a Completed Application for service;
- ii. Fulfillment of creditworthiness criteria set forth in Section 8 of this Tariff;
- iii. Submission of proof of arrangements for all other services related to Distribution Service, including executed agreements with the ISO;
- iv. For LSEs, submission of proof of arrangements for secured

capacity and energy from generation sources sufficient to satisfy forecasted loads on a rolling twelve (12) month basis starting from the commencement of service.

- v. Agreement to pay for any facilities constructed and chargeable under this Tariff, whether or not the Eligible Customer ultimately takes service for the full term requested;
- vi. Ownership or control of sufficient equipment installed and verifiable as specified under the Service Agreement, consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed by SDG&E, to ensure safe and reliable interconnection to and operation of the Distribution System;
- vii. Development of written standard practices and operating procedures governing facilities to be owned or controlled by the Eligible Customer;
- viii. Walk-through access by SDG&E to Eligible Customer facilities to verify design and construction of the facilities in accordance with Good Utility Standard Practice;
- ix. Execution of a Service Agreement in compliance with the rates, terms and conditions set forth in this Tariff; and
- x. Compliance with any other term or condition in this Tariff or State or Federal law or the rules and regulations of any agency or organization to which SDG&E is subject.

14.2 Distribution Customer Responsibility for Third-Party Arrangements:

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Distribution Customer. The Distribution Customer shall provide, unless waived by SDG&E, notification to SDG&E identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by SDG&E pursuant to this Tariff.

14.3 Distribution Customer Facilities: Distribution Service is conditioned upon the Eligible Customer's constructing, maintaining and operating facilities necessary to interconnect with SDG&E and to allow SDG&E to maintain the safe and reliable operation of the Distribution System. The Distribution Customer shall be solely responsible for constructing, installing, and maintaining all facilities on the Distribution Customer's side of the SDG&E interconnection.

14.4 Annual Capacity Updates: The Distribution Customer shall provide SDG&E with annual updates of Distribution Service capacity forecasts consistent with those submitted pursuant to Section 15.2(v) of this Tariff. The Distribution Customer also shall provide SDG&E with timely written notice of material changes to any other information provided in its Application.

15. PROCEDURES FOR DISTRIBUTION SERVICE AND INTERCONNECTION SERVICE

15.1 Interconnection: An Eligible Customer requesting interconnection to the Distribution System shall follow the procedures set forth in this Section 15.1. After the effective date of Attachment H, Generator Interconnection Procedures (GIP), an Eligible Customer requesting interconnection of a generating facility shall follow the GIP set forth in Attachment H to request interconnection at the same time the Distribution Provider shall

process such requests concurrently in accordance with the GIP. Unless otherwise requested by an Eligible Customer, prior to the effective date of Attachment H, GIP, an Eligible Customer requesting interconnection of a generating facility no larger than 20 MW to the Distribution Provider's Distribution System shall follow the Small Generator Interconnection Procedures (SGIP) set forth in Attachment D to request interconnection at the same time the Distribution Provider shall process such requests concurrently in accordance with the SGIP. Unless otherwise requested by an Eligible Customer, prior to the effective date of Attachment H, GIP, an Eligible Customer requesting interconnection of a generating facility larger than 20 MW to the Distribution Provider's Distribution System shall follow the Large Generator Interconnection Procedures (LGIP) set forth in Attachment F to request interconnection at the same time the Distribution Provider shall process such requests concurrently in accordance with the LGIP.

15.2 Application: Distribution Service may be requested only by written Application at least sixty (60) days in advance of the calendar month in which service is to commence. SDG&E will consider requests for such services on shorter notice when feasible. An Application may be submitted by mail or in person to the name and address posted on SDG&E's Internet website. Such name and address is subject to change with a 10 day notice, but shall initially be:

Regulatory Policy Manager
FERC Regulatory Affairs, Sempra Utilities
8330 Century Park Court, CP 32D
San Diego, CA 92123-1530

SDG&E shall treat all information provided by an Eligible Customer consistent with the standards of conduct contained in Part 358 of the Commission's regulations. SDG&E shall

time-stamp each Application for establishing the priority of the Application.

15.3 Completed Application: A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

- i. The identity, address, telephone number and facsimile number of the entity requesting service and the name and contact information of the entity's Designated Agent;
- ii. A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff, and a brief description of why or how the entity does or will qualify as an Eligible Customer;
- iii. The desired points of interconnection to the Distribution System and the points on the CAISO Controlled Grid for: 1) LSE resource take out; or 2) Generator resource delivery, including requested deliverability status to the aggregate of Load on the CAISO Controlled Grid.
- iv. For LSEs, a description of the supply characteristics of the capacity and energy to be delivered and a description of the load to be served. For Generators, a description of the generating facility, including generating capacity and intended operation, and a description of load served.
- v. A forecast of desired Distribution Service capacity, including a five (5) year forecast of monthly and peak demand requirements beginning with the first year after the service is scheduled to commence. For LSEs, consistent with SDG&E Distribution Planning criteria, forecasts must incorporate a minimum 7% reserve. The forecast required in this section shall be used to set LSE contract demand in Service Agreements;

- vi. The requested service commencement date and the term of the requested Distribution Service;

15.4 Deposit: All Applications for Distribution Service shall include a deposit of no less than \$2.00 per anticipated maximum monthly peak demand of desired Distribution Service capacity under the first year of service, pursuant to Section 15.3(v) of this Tariff. If an Application is rejected by SDG&E because it does not meet the conditions for service as set forth herein, SDG&E shall return the deposit with interest less any reasonable costs incurred by SDG&E. Deposits shall also be returned with interest less any reasonable costs incurred by SDG&E if SDG&E is unable to complete new facilities needed to provide Distribution Service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Distribution Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by SDG&E to the extent such costs have not already been recovered by SDG&E from the Eligible Customer. SDG&E will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 16 of this Tariff. If a Service Agreement for Distribution Service is executed, the deposit, with interest, will be returned to the Distribution Customer upon expiration or termination of the Service Agreement for Distribution Service. In the alternative, if the Distribution Customer has satisfactorily fulfilled its Distribution Service payment and financial obligations for a six-month consecutive period and meets the creditworthiness requirements in Section 8 of this Tariff, the deposit, with interest, will be returned to the Distribution Customer upon written request of the Distribution Customer. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited

to SDG&E's account.

15.5 Notice of Deficient Application: If an Application fails to meet the requirements of this Tariff, SDG&E shall notify the entity requesting service in writing within fifteen (15) days of receipt of the reasons for such failure. SDG&E will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, SDG&E shall return the Application, along with any deposit, with interest.

15.6 Response to a Completed Application: Upon receipt of a new or revised Application that fully complies with the requirements of this Tariff, the Eligible Customer shall be assigned a priority consistent with the date of the new or revised Application. Following receipt of a Completed Application, SDG&E shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application, either if it will be able to provide service without performing a System Impact Study or if such a study is needed to evaluate the impact of the Application pursuant to Section 16.1 of this Tariff. The notice shall also include an estimate of the cost of the study. If an existing SDG&E wholesale distribution customer seeks to convert its service, without material changes, to service under this Tariff, no System Impact Study shall be required.

15.7 Execution of Service Agreement: Whenever SDG&E determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 16 and 17 of this Tariff will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement within fifteen (15)

days after it is tendered by SDG&E will be deemed a withdrawal and termination of the Completed Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

15.8 Technical Arrangements to be Completed Prior to Commencement of

Service: Distribution Service shall not commence unless SDG&E and the Eligible Customer have completed installation of all equipment specified under the Service Agreement and inspection of these facilities by SDG&E verifies the design and construction of the facilities per Good Utility Standard Practice. All determinations shall be made consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the safe and reliable operation of the Distribution System. SDG&E shall exercise reasonable efforts, in coordination with the Eligible Customer, to complete such arrangements as soon as practicable taking into consideration the desired service commencement date.

15.9 Changes in Service Requests: Under no circumstance shall the Distribution Customer's decision to change its requested Distribution Service in any way relieve the Distribution Customer of its obligation to pay the costs of all facilities constructed by SDG&E and charged to the Distribution Customer as reflected in the Service Agreement.

16. ADDITIONAL STUDY PROCEDURES FOR DISTRIBUTION SERVICE

16.1 Notice of Need for System Impact Study: After receiving a request for service, SDG&E shall determine whether a System Impact Study is needed. A description

of SDG&E's methodology for completing a System Impact Study is provided in Attachment B. If SDG&E determines that a System Impact Study is necessary to accommodate the requested service, it shall notify the Eligible Customer, as soon as practicable. In such cases, SDG&E shall, within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse SDG&E for performing the required System Impact Study. If the Eligible Customer does not execute the System Impact Study Agreement and return it to SDG&E within fifteen (15) days, the Application shall be deemed withdrawn and the deposit, pursuant to Section 15.3 of this Tariff, shall be returned with interest.

16.2 System Impact Study Agreement and Cost Reimbursement:

- i. The System Impact Study Agreement will clearly specify SDG&E's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, SDG&E shall rely, to the extent reasonably practicable, on existing studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Distribution Facilities.
- ii. If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for SDG&E to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

16.3 System Impact Study Procedures: Upon receipt of an executed System Impact Study Agreement, SDG&E will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints, redispatch options, and additional Direct Assignment Facilities or Distribution System upgrades required to provide the requested service in accordance with Attachment B. In the event that SDG&E is unable to complete the required System Impact Study within such time period, it shall notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer. SDG&E will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. SDG&E shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Distribution Facilities will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new Distribution Facilities or upgrades. In the event of no impact in order for a request to remain a Completed Application, within twenty (20) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or the Application shall be deemed withdrawn and the deposit, pursuant to Section 15.3 of this Tariff, shall be returned with interest.

16.4 Facilities Study Procedures: If a System Impact Study indicates that additions or upgrades to the distribution system are needed to supply the Eligible Customer's service request, SDG&E, within thirty (30) days of the completion of the System

Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse SDG&E for performing the required Facilities Study. A description of SDG&E's methodology for completing a Facilities Study is provided in Attachment C. If the Eligible Customer does not execute the Facilities Study Agreement and return it, together with the payment for the estimated costs to do the study, to SDG&E within fifteen (15) days of receipt of the Facilities Study Agreement by the Eligible Customer, the Application shall be deemed withdrawn and its deposit, pursuant to Section 15.3 of this Tariff, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, SDG&E will use due diligence to complete the required Facilities Study within a sixty (60) day period. If SDG&E is unable to complete the Facilities Study in the allotted time period, SDG&E shall notify the Distribution Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Distribution Customer, (ii) the Distribution Customer's appropriate share of the cost of any required upgrades as determined pursuant to the provisions of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. Upon completion of the Facilities Study the Distribution Customer shall have thirty (30) days to: 1) provide SDG&E with a letter of credit or other reasonable form of security acceptable to SDG&E equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code; and 2) execute a Service Agreement, otherwise, the Application shall be deemed withdrawn and the deposit, pursuant to Section

15.3 of this Tariff, shall be returned with interest.

16.5 Facilities Study Modifications: Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate by SDG&E. New good faith estimates will also be required in the event of:

- 1) new statutory or regulatory requirements that are effective before the completion of construction;
- 2) circumstances occurring beyond the control of SDG&E that significantly affect the final cost of new facilities; or
- 3) additional upgrades to be charged to the Distribution Customer pursuant to the provisions of this Tariff.

16.6 Due Diligence in Completing New Facilities: SDG&E shall use due diligence to add necessary facilities or upgrade its Distribution System within a reasonable time. SDG&E will not upgrade its existing or planned Distribution System in order to provide requested Distribution Service if doing so would cause risk to the safe and reliable operation of the Distribution System or otherwise impair or degrade service to CPUC jurisdictional customers or existing wholesale customers.

17. IF DISTRIBUTION PROVIDER CANNOT COMPLETE NEW FACILITIES

17.1 Delays in Construction of New Facilities for Distribution Services: If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, SDG&E shall promptly notify the Distribution Customer. In such circumstances, SDG&E shall within thirty (30) days of notifying the Distribution Customer of such delay, convene a technical meeting with the Distribution Customer to evaluate the alternatives available to the Distribution

Customer. SDG&E shall make available to the Distribution Customer studies and work papers related to the delay, including all information SDG&E's possession reasonably needed by the Distribution Customer to evaluate any alternatives.

17.2 Alternatives to the Original Facility Additions: When the review process of Section 17.1 of this Tariff determines that one or more alternatives exist to the originally planned construction project, SDG&E shall present such alternatives for consideration by the Distribution Customer. If, upon review of any alternatives, the Distribution Customer desires to proceed with its Application subject to construction of the alternative facilities, the Service Agreement shall be modified accordingly. In the event a resolution can not be reached, the Application shall be deemed withdrawn and the deposit, pursuant to Section 15.3 of this Tariff, shall be returned with interest.

17.3 Refund Obligation for Unfinished Facility Additions: If SDG&E and the Distribution Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of the Tariff, the obligation to provide the requested Distribution Service shall terminate and any deposit made by the Distribution Customer shall be returned with interest pursuant to Section 35.19a(a)(2)(iii) of the Commission's regulations. However, the Distribution Customer shall be responsible for all costs prudently incurred by SDG&E through the time construction was suspended.

18. DISTRIBUTION CONSTRUCTION AND OTHER SERVICES OF OTHER UTILITIES

18.1 Responsibility for Third-Party System Additions: SDG&E shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities.

18.2 Coordination of Third-Party System Additions: In circumstances where the need for additional Distribution Facilities or upgrades is identified pursuant to the provisions of the Tariff, and if such upgrades further require the addition of distribution facilities on other systems, SDG&E shall have the right to coordinate construction on its own system with the construction required by others. SDG&E, after consultation with the Distribution Customer and representatives of such other systems, may defer construction of its new Distribution Facilities, if the new distribution facilities on another system cannot be completed in a timely manner.

19. CHANGES IN SERVICE SPECIFICATIONS

SDG&E will make good faith efforts to accommodate minor changes in Distribution Service, provide such changes are requested in writing. Any request to materially modify Distribution Service, particularly any request requiring reevaluation of potential impact to the Distribution System, shall be treated as a new request for service, shall be processed in accordance with Section 15 of this Tariff, and shall require a new Service Agreement which shall subsume the prior Distribution Service and Service Agreement.

20. METERING AND POWER FACTOR CORRECTION

20.1 [Not Used]

20.2 [Not Used]

20.3 Distribution Customer Obligations: The Distribution Customer shall compensate SDG&E for installing and maintaining metering and communications equipment to allow SDG&E to accurately account for the capacity and energy being transmitted under this Tariff. The equipment must be capable of providing 15-minute interval reads. Such equipment shall remain the property of the Distribution Customer.

20.4 Power Factor: The Distribution Customer's bill will be adjusted each month for power factor by the amount specified in the Service Agreement. The amount is based upon the per KVA_r of maximum reactive demand the Distribution Customer imposed on SDG&E as reflected in the Service Agreement.

20.5 SDG&E's Access to Metering Data: SDG&E shall have access to metering data which may reasonably be required to facilitate measurements and billing under the Service Agreement.

21. COMPENSATION FOR DISTRIBUTION SERVICE

Rates for Distribution Service are provided in the Schedules appended to this Tariff (Schedule WDS1). SDG&E shall account for such use at the applicable Tariff rates.

22. STRANDED COST RECOVERY

SDG&E may seek to recover stranded costs from the Distribution Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in

Commission Order No. 888 and 888-A, or subsequent Commission decision. However, SDG&E must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

23. COMPENSATION

All costs associated with facility additions and Direct Assignment Facilities shall be pre-paid by the Distribution Customer in accordance with the terms of the Service Agreement and Schedule WDS 1. All costs associated with redispatch shall be paid by the Distribution Customer in advance of the redispatch.

24. STANDARDS OF CONDUCT

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 CFR Parts 37 and 358 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities) and will be followed to the extent applicable.

SCHEDULE WDS 1

WHOLESALE DISTRIBUTION SERVICE

1. Distribution Service Charges: Distribution Customers shall pre-pay all costs associated with facility additions and Direct Assignment Facilities in accordance with the Service Agreement and Section 2.4 of this Schedule WDS 1 and shall compensate SDG&E each month for Distribution Service at the sum of the applicable charges set forth below.

1.1 [Not Used]

1.2 Distribution Service for LSEs: The lump sum and monthly charges

for Distribution Service for LSEs shall be based upon the following charges:

- i. A customer service charge (See Section 2.1): \$____/month;
- ii. A distribution demand charge (See Section 2.2): \$__ /kW/month;
- iii. Customer advance associated with Direct Assignment Facilities (See Section 2.4): \$ lump sum payment;
- iv. A cost of ownership charge for Direct Assignment Facilities (See Section 2.6): \$/month;
- v. Power Factor Adjustment Charge (See Section 2.7): The Distribution Customer's bill will be adjusted by a dollar per kVAr of maximum reactive demand as determined in Section 20.4 of the Tariff;
- vi. Distribution loss adjustment charge (See Section 2.8); and
- vii. Impairment (See Section 2.9) or other (See Section 2.3) charges, if any.

1.3 Distribution Service for Generators: The lump sum and monthly charges for Distribution Service for Generators shall consist of the following:

- i. A customer service charge (See Section 2.1): \$____/month;
- ii. Customer advance associated with Direct Assignment Facilities (See Section 2.4): \$____/month;
- iii. A distribution demand charge associated with upgrades (See Section 2.5): ____/kw/month;
- iv. Cost of ownership charge for Direct Assignment Facilities (See Section 2.6): \$____/month;
- v. Power Factor Adjustment Charge (See Section 2.7): The Distribution Customer's bill will be adjusted as determined in Section 20.4 of the Tariff; and

vi. Impairment (See Section 2.9) or other charges (See Section 21.3), if any.

2. Description of Specific Charges

2.1 Customer Service Charge: A fixed monthly Distribution Customer service charge shall be assessed to reimburse SDG&E for its costs of labor and supervision for billing services which it provides to the Distribution Customer, including, among other things, billing, accounting for reactive power and Distribution Facilities usage as provided in this Tariff. An individual special study is required to determine this charge.

2.2 Distribution Demand Charge for LSEs: Distribution Customers that are LSEs shall pay a Distribution Demand Charge. The Distribution Demand charge shall recover the higher of: (a) the Distribution Customer's proportionate share of the embedded costs (including expansion costs) of the Distribution Facilities that are used to serve the Distribution Customer's load (excluding Direct Assignment Facilities); or (b) the incremental cost of whatever expansions or upgrades to the Distribution Facilities are required to serve the Distribution Customer's load (excluding Direct Assignment Facilities). If the revenue requirement is based upon embedded costs (as expanded) the cost of the Distribution Facilities used to serve the Distribution Customer shall be calculated according to the Distribution Customer's proportionate share of the total load served from the identified Distribution Facilities. The monthly demand charge shall be calculated by dividing the annual revenue requirement associated with the identified Distribution Facilities by the sum of the Distribution Customers twelve monthly maximum peak demands imposed on those facilities.

2.3 Termination Service Charge: If the Distribution Customer terminates service, the Distribution Customer agrees to pay for the remaining cost of such facilities whether or not

it takes service for the full term specified in the Service Agreement. The remaining cost of the facilities shall be equal to the Distribution Customers load ratio share of such facilities using contract demands to calculate such load ratio. The remaining life of the facilities will be the depreciated installed cost of the added facilities plus removal costs, less salvage. SDG&E shall file all charges under this provision with the Commission prior to termination.

2.4 Customer Advance Associated with Direct Assignment Facilities: In accordance with Attachment A of this Tariff, SDG&E shall calculate a customer advance for Direct Assignment Facilities that will be payable by the Distribution Customer at the time a Service Agreement is signed (See Attachment A).

2.5 Distribution Demand Charge Associated with Upgrades for Generators: Generators shall pay for that portion of distribution upgrades that directly benefit them. Such costs may be paid by advance or through a monthly demand charge.

2.6 Cost of Ownership Charge for Direct Assignment Facilities: The cost of ownership charge for Direct Assignment Facilities recovers SDG&E's on-going costs of owning and operating Direct Assignment Facilities. In accord with Attachment A, such on-going costs shall include operation and maintenance costs, replacement costs (due to normal deterioration), and property taxes. The cost of ownership charge shall also include the on-going costs of any facilities installed by the Distribution Customer or others that are deeded to SDG&E. The manner in which the monthly cost of ownership charge is derived is shown in Attachment A.

2.7 Power Factor Adjustment Charge: The Distribution Customer's bill shall be

adjusted by a dollar amount per kVAr of maximum reactive demand as determined in Section 10.3 of the Service Agreement.

2.8 Distribution Loss Adjustment Charges for LSEs: Distribution losses shall be paid by LSEs on a monthly basis and will be calculated using standard engineering formulas applicable to the Distribution Customer's use of SDG&E's distribution system. The energy loss factor calculated by these formulas shall be applied to the Distribution Customer's monthly energy consumption for the billing month. The energy loss shall be recovered in accordance with Attachment A.

2.9 Impairment Charge: Distribution Customers shall be responsible for the costs related to any event that could result from Distribution Service which is reasonably likely to cause: (i) the inclusion in gross income for federal income tax purposes of the interest paid and/or to be paid on any local-furnishing private activity bonds ("Bonds") as described in Section 142(f) of the Internal Revenue Code of 1986, as amended, or in any predecessor statute (the "Code"), issued for the benefit of SDG&E; (ii) the inclusion in gross income of interest for federal income tax purposes on debt which is reasonably expected to be issued in the future to finance distribution or generation facilities of SDG&E, or to be issued to refinance any outstanding Bonds issued for the benefit of SDG&E; or (iii) the loss of the deductibility, under Section 150 of the Code, of any interest expense associated with interest paid or to be paid on any such Bonds. Such costs include costs reasonably necessary to avoid or minimize the cost of an impairment including: (i) redispatch of generation; (ii) construction or other physical modification of SDG&E's System; and/or (iii) redemption, defeasance or financing of Bonds (the "Refinancing"). Among other things, the costs of Refinancing shall include:

(A) the costs, including, but not limited to, increased interest cost of refinancing any outstanding Bonds which must be redeemed or defeased; (B) the increased interest costs associated with the inclusion in gross income for Federal income tax purposes of interest on any debt to be issued to finance the distribution and generation facilities of SDG&E; and (C) any increased income and franchise tax liability of SDG&E resulting from the loss of deductibility of interest expense associated with interest on any Bonds issued or to be issued for the benefit of SDG&E. For purposes of computing costs resulting from increased interest costs associated with (B), it shall be assumed that SDG&E will have access to State of California private activity bond volume cap under Section 146 of the Code to finance distribution system costs to the same proportionate extent as SDG&E's post-1985 distribution system costs in fact have been financed with tax-exempt Bonds.

**ATTACHMENT A
FORM OF SERVICE AGREEMENT FOR
WHOLESALE DISTRIBUTION SERVICE**

1. This Service Agreement (Agreement), dated as of _____, is entered into, by and between _____ (SDG&E), and _____ (Distribution Customer). SDG&E and Distribution Customer shall each be referred to as a "Party" and collectively as "Parties."
2. The Distribution Customer has been determined by SDG&E to have a Completed Application for Distribution Service (Completed Application) under the Wholesale Distribution Open Access Tariff (Tariff). All capitalized terms, unless otherwise specified, shall have the same meaning as the capitalized terms defined in the Tariff.
3. The Distribution Customer has provided to SDG&E an application deposit in accordance

with the provisions of Section 15 of the Tariff.

4. Service under this Agreement shall commence on the latter of: (1) the service commencement date requested in the Application; or (2) the date on which construction of any Direct Assignment Facilities are completed; or (3) such other date as designated by the Commission. Service under this agreement shall terminate no earlier than 5 years from the commencement of service.
5. SDG&E agrees to provide and the Distribution Customer agrees to take and pay for Distribution Service in accordance with the provisions of the Tariff and this Service Agreement and Schedules attached hereto.
6. The Distribution Customer shall make a customer advance payment to SDG&E for all Direct Assignment Facilities at the time it returns an executed Service Agreement.
7. Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

SDG&E:

Distribution Customer:

8. Interconnection

8.1 Interconnection of LSEs to SDG&E

- 8.1.1** All facilities needed for the interconnection of the LSE's facilities to SDG&E's Distribution Facilities shall be installed, operated, and maintained

in accordance with Good Utility Practice.

- 8.1.2** The LSE shall specify: (i) the voltage level of service desired, provided such voltage shall be compatible with standard voltages used on SDG&E's system; and (ii) any applicable service criteria of the LSE, including, but not limited to, any redundancy desired in SDG&E's Distribution Facilities. If technically feasible, SDG&E shall provide service at such voltage and in accordance with such criteria, conditioned on SDG&E obtaining any necessary regulatory permits and complying with any other federal, state, or local requirements for the construction of any such facilities.
- 8.1.3** The LSE shall keep SDG&E informed on a timely basis of any changes that may materially affect Distribution Service. If such changes may cause risk to the safe and reliable operation of the Distribution System, or impact the ability of SDG&E to serve CPUC jurisdictional customers or existing wholesale customers, the LSE must take immediate action to reverse the change to previous circumstances.
- 8.1.4** SDG&E shall own, operate, and maintain all Direct Assignment Facilities. The LSE shall pre-pay all costs and expenses for such Direct Assignment Facilities that are exclusively used to provide Distribution Service to the LSE including, but not limited to, the costs of permitting, planning, procuring, constructing, owning, maintaining, and operating any such facilities.
- 8.1.5** The LSE shall maintain its own facilities, at its sole expense, in a manner consistent with Good Utility Practice. The LSE shall also install protective equipment on its own system and take any other reasonable measures to

protect the safe and reliable operation of SDG&E's system from disturbances on the LSE's system.

8.1.6 [Not Used]

8.1.7 The LSE shall provide SDG&E access to the LSE's interconnection facilities to the extent necessary for SDG&E to construct, operate, or maintain interconnection facilities. The LSE agrees to grant SDG&E all necessary easements and rights of way, including adequate and continuing access rights, on the property of the LSE to transport, install, operate, maintain, replace, and remove the interconnection facilities, and any equipment or line extension that may be provided, owned, operated and maintained by SDG&E on the property of the LSE. The LSE agrees to grant such easements and rights of way to SDG&E at no cost and in a form satisfactory to SDG&E and capable of being recorded in the office of the San Diego County Recorder.

8.1.8 The Parties shall cooperate with one another in scheduling maintenance to any interconnection facility or in taking any interconnection facility out of service, provided that in an emergency SDG&E may take facilities out of service if necessary to protect SDG&E's Distribution System.

8.2 Interconnection of Generators to SDG&E

8.2.1 Generators shall interconnect with SDG&E's Distribution Facilities in accordance with all applicable Commission, ISO, WECC and NERC rules and criteria (or the rules and criteria of any successor to any of these entities), and Good Utility Practice. Requests to interconnect generators

that are larger than 20 MW shall be processed pursuant to the applicable provisions of the compliance filings made by the ISO and SDG&E in response to FERC's July 24, 2003 Final Rule issued in connection with FERC's Standardization of Generator Interconnection Agreements and Procedures rulemaking. Requests to interconnect generators that are not larger than 20 MW shall be subject to the provisions of sections 8.2.2 through 8.2.2.3.

8.2.2 SDG&E shall design, own, install, and maintain all facilities necessary to interconnect the Generator to the Distribution System (Direct Assignment Facilities) at the Generator's sole expense, to the extent permitted by Commission policies. Such facilities shall include any equipment necessary to protect SDG&E's electric system, employees, and customers from damage or injury arising out of or connected with the operation of the Generator's facilities, including, but not limited to, short circuit protection, breaker closing/re-closing control, unit tripping, loss of synchronism, over current/under current devices such as relays, remote terminal units, circuit breakers, and meters. The Generator's facilities, and their operation and maintenance, shall meet SDG&E's specifications and shall be subject to inspection and testing by SDG&E as follows:

8.2.2.1 Design of Interconnection Facilities

The Generator, at Generator's sole expense, shall acquire all permits and approvals and complete all environmental impact studies necessary for the design, construction, installation, operation, and maintenance of the interconnection facilities.

The Generator shall provide to SDG&E electrical specifications and design drawings pertaining to the interconnection facilities for SDG&E's review prior to finalizing design of the interconnection facilities and before beginning construction work based on such specifications and drawings. The Generator shall provide to SDG&E reasonable advance written notice of any changes in the interconnection facilities and provide to SDG&E specifications and design drawings of any such changes for SDG&E's review and approval. SDG&E may require modifications to such specifications and designs as it deems necessary to allow SDG&E to operate SDG&E's electrical system in accordance with Good Utility Practices.

8.2.2.2 Interconnection Specifications for Generators

A means of disconnection must be available on both sides of SDG&E's metering and must be under the control of SDG&E. Disconnection can be accomplished with switches, load break elbows, cutouts, or secondary breakers. Generator disconnects can also be used provided that the switches meet with SDG&E's approval and SDG&E has preemptive control. Generators with three-phase generators should be aware that certain conditions in SDG&E's system may cause negative sequence currents to flow in the generator. It is the sole responsibility of the Generator to protect its equipment from excessive negative sequence currents. The Generator shall provide suitable devices to ensure adequate protection for:

- (a) all faults on the Generator's system;
- (b) all faults on the Distribution system; and

- (c) back feed or start-up of a generator into a dead utility bus

The following generator protective devices are required as a minimum to effect connection and separation of SDG&E and Generator (For generators below 11 kVA, the following are recommended but not required.):

- (d) individual phase over current trip devices;
- (e) under voltage trip devices,
- (f) over/under frequency trip devices,
- (g) synchronizing or equivalent controls, either automatic or manual, supervised by a synchronizing relay if the short circuit contribution ratio ("SCCR") is in excess of .05, to ensure a smooth connection with SDG&E's system
(Synchronous generators only).

For synchronous generators, sufficient generator reactive capability shall be provided to withstand normal voltage changes on SDG&E's electric system. For induction generators, capacitor installations may be required for reactive power support. Such capacitors will be at the expense of the Generator.

8.2.2.3 Supplemental Interconnection Design Specifications

(1) Unintended Islanding for Generating Facilities.

Generator facilities must mitigate their potential contribution to an unintended island. This can be accomplished by one of the following options: (1) incorporating certified non-islanding control functions into the protective functions; (2) verifying that loads

served by the Generator sufficiently exceed the Net Nameplate Rating of the Generator's facilities; or (3) incorporating a Transfer Trip or an equivalent protective function.

(2) Fault Detection.

A generating facility with an SCCR exceeding 0.1 or one with protective functions that do not meet any one of the options for detecting unintended islands in 8.2.2.3(1) shall be equipped with protective functions designed to detect Distribution System faults, both line-to-line and line-to-ground, and promptly cease to energize SDG&E's Distribution System in the event of a fault. For a generating facility that cannot detect these faults within two seconds, SDG&E may require a Transfer Trip system or equivalent protective function. Reclose-blocking of SDG&E 's affected recloser(s) may also be required for generating facilities that exceed 15% of the peak load on the line section.

For generator capacity greater than 1 MW, Generator may be required to provide telemetering of generator output to SDG&E.

9. Interconnection Facilities and Review Disclaimer

SDG&E's review of the design, construction, operation, or maintenance of Distribution Customer interconnection facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities.

Distribution Customer shall in no way represent to any third party that any such review by SDG&E of such facilities is a representation by SDG&E as to the economic or technical

feasibility, operational capability, or reliability of such facilities.

Distribution Customer is solely responsible for the economic and technical feasibility, operational capability, and reliability of the interconnection facilities.

SDG&E shall notify Distribution Customer in writing of the outcome of SDG&E's review of the design and all of the specifications, drawings, and explanatory material for Distribution Customer's interconnection facilities within thirty (30) calendar days of the receipt of the design and all of the specifications, drawings, explanatory material for the interconnection facilities. Any flaws in the design perceived by SDG&E in the review of all of the specifications, drawings, and explanatory material for the interconnection facilities shall be described in SDG&E's written notification.

10. Operational Aspects of Generator Interconnection

The Generator shall not commence parallel operation of any generating facility until written approval for operation of the interconnection facilities has been given by SDG&E. Such approval shall not be unreasonably withheld. The Generator shall notify SDG&E in writing of its intent to energize the interconnection facilities not less than forty-five (45) calendar days prior to such energizing. SDG&E shall have the right to inspect the interconnection facilities within thirty (30) calendar days of receipt of such notice. If the interconnection facilities are not approved by SDG&E, SDG&E shall provide written notice to the Generator stating the reasons for SDG&E's disapproval within five (5) calendar days of the inspection.

The Generator shall provide written notice to SDG&E at least fourteen (14) calendar days prior to the initial and subsequent testing of the protective apparatus. The protective apparatus shall be tested thereafter at intervals not to exceed three (3) years using

qualified personnel. SDG&E shall have the right to have a representative present at the initial and subsequent testing of the protective apparatus and to receive copies of the test results. At all times the Generator shall operate its generating facilities and interconnection facilities in accord with Good Utility Practice

10.1 Nominal Voltage and Grounding

SDG&E's most common voltages are as follows:

- a) Distribution system voltages are 4 and 12 kV

The majority of the common distribution voltages are grounded. SDG&E will provide information on the specific circuit serving the Generator.

10.2 Operating Requirements for Generators

In order for SDG&E to supply and maintain proper voltages on the Distribution System, SDG&E electric system voltages may fluctuate from the nominal values. SDG&E uses various regulation techniques to raise and lower both distribution and transmission voltages in order to maintain desired customer service voltage. Generators shall design and operate their facilities to withstand such voltage changes and to respond with proper power factor adjustment in sufficient time so as not to interfere with SDG&E's voltage regulation.

Generators must assure that at their point of interconnection to the Distribution System, the location shall be identified with a special tag for the purpose of notifying SDG&E field crews of the possibility of back feed.

SDG&E may ground de-energized lines and equipment upon which work will be performed. SDG&E may test its electrical lines that have automatically tripped (de-energized) due to a fault by reclosing the affected circuit at least one time.

The Generator shall not reconnect generating facilities after a protective device trip unless the Generator's system is energized from SDG&E. Additionally, Generator control circuit(s) must be designed to prevent accidental Generator connection to a dead utility system. Design variations are acceptable provided the requirements of this Exhibit are satisfied.

10.3 Power Factor:

Unless otherwise agreed, the Distribution Customer is required to maintain its power factor within the same range as SDG&E, pursuant to Good Utility Practices. The Distribution Customer's bill will be adjusted each month for power factor by the amount the Distribution Customer deviates from SDG&E's range.

10.4 Power Factor Maintenance and Future Changes in Target

Power Factor

SDG&E may change the per kVAr amount from time to time upon 30 days written notice to Distribution Customer. SDG&E shall allow a reasonable amount of time for corrective action by the Distribution Customer.

11. Real Property Rights

Distribution Customer agrees to grant SDG&E all necessary easements and rights of way, including adequate and continuing access rights, on property of Distribution Customer to transport, install, operate, maintain, replace, and remove the Direct Assignment Facilities, and any equipment or line extension that may be provided, owned, operated and maintained by SDG&E on the property of Distribution Customer. Distribution Customer agrees to grant such easements and rights of way to SDG&E at no cost and in a form satisfactory to SDG&E and capable of being recorded in the office of the San Diego County Recorder.

If any part of SDG&E's Direct Assignment Facilities, equipment, and/or line extension is to be installed on property owned by other than Distribution Customer, or under the jurisdiction or control of any other individual, agency or organization, SDG&E may, at its discretion and at Distribution Customer's cost and expense, obtain from the owners thereof all necessary easements and rights of way including adequate and continuing access rights, and/or such other grants, consents and licenses, in a form satisfactory to SDG&E, for the construction, operation, maintenance, and replacement of Direct Assignment Facilities, equipment, and/or line extension upon such property.

If SDG&E does not elect to obtain or cannot obtain such easements and rights of way, Distribution Customer shall obtain them at its cost and expense.

SDG&E shall have the right of ingress to and egress from the Generation facility at all reasonable hours for any purposes reasonably connected with the Service Agreement or the exercise of any and all rights secured to SDG&E by law or its tariff schedules on file with the Commission.

SDG&E shall have no obligation to Distribution Customer for any loss, liability, damage, claim, cost, charge, or expense due to SDG&E's inability to acquire a satisfactory right of way, easement or other real property interest necessary to SDG&E's performance of its obligations under this Agreement or the Tariff.

Nothing in this Agreement shall be construed to require SDG&E to acquire land rights through condemnation or any other means for the Distribution Customer either inside or outside of SDG&E's service area unless SDG&E shall in its sole discretion elect to do so.

12. Assignment

Neither Party shall voluntarily assign its rights nor delegate its duties under this

Agreement without the written consent of the other Party, except in connection with the sale or merger of a substantial portion of its properties. Any such assignment or delegation made without such written consent shall be null and void. Consent for assignment shall not be unreasonably withheld.

13. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either Party except when such waiver is given in writing. The failure of any Party at any time or times to enforce any right or obligation with respect to any matter arising in connection with this Agreement shall not constitute a waiver as to future enforcement of that right or obligation or any right or obligation of this Agreement.

14. Section Headings

Section headings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretations of text.

15. Governing Law

This Agreement shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California except to the extent disputes are the responsibility of the Commission.

16. Amendment, Modification or Waiver: Any amendments or modifications to this Agreement shall be in writing and agreed to by both Parties. The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any Party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, shall be

deemed to be construed as a further or continuing waiver of any such breach or a waiver of the breach of any other term or covenant unless such waiver is in writing.

Notwithstanding any of the foregoing, nothing contained in this Service Agreement shall be construed as affecting in any way the right of SDG&E to unilaterally make application to the Commission for a change in rates, terms, conditions, charges or classification of service under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Nothing contained in this Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under this Service Agreement to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

17. The Tariff is incorporated herein and made a part hereof.

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

SDG&E:

By: _____
Name Title Date

Distribution Customer:

By: _____
Name Title Date

**SPECIFICATIONS FOR
WHOLESALE DISTRIBUTION SERVICE**

5. For Generators, the maximum amount of capacity and energy to be transmitted on SDG&E's Distribution System:_____ . For LSEs, the maximum contract demand as specified in Section 15.2(v): _____
6. [Not Used]
7. Name(s) of any Intervening Systems providing transmission service:

8. Service under this Agreement is subject to the charges set forth in Schedule WDS 1 of the Tariff.

**DISTRIBUTION SERVICE AGREEMENT
ATTACHMENT A
EXHIBIT Ia**

CALCULATION OF DISTRIBUTION CUSTOMER'S ADVANCE PAYMENT

Distribution Customer _____

Project Name and Location _____

The total Advance Payment for Direct Assignment Facilities required for the above project prior to the start of construction is as follows:

1. Direct Assignment Facility Costs Incurred by SDG&E

The Distribution Customer agrees to pay SDG&E's total estimated cost of the facilities to serve the Distribution Customer, less credits, if any.

(From Exhibit 2 - Direct Assignment Facilities) \$_____

2. ITCC Tax

The Distribution Customer must pay the taxes on such contributions, in addition to any other applicable contributions, such as facilities installed by the Distribution Customer, and deeded to SDG&E.

(From Exhibit 3 - ITCC Tax) \$_____

3. Total

(Sum of Installation Charge and ITCC Tax) \$_____

Future relocation related costs, if any, are not included in these cost determinations. The Distribution Customer is responsible for the cost of relocating the subject facilities herein. The future relocation costs will be determined at the time of relocation and are subject to approval by the Commission.

**DISTRIBUTION
SERVICE AGREEMENT
ATTACHMENT A**

EXHIBIT 2 - DIRECT ASSIGNMENT FACILITIES

The following is SDG&E's site-specific estimate (gross financial costs -- labor, material, indirect and overhead cost components) for the facilities required to provide Distribution Service to the above project. This estimate excludes any work on SDG&E's facilities done for the convenience of SDG&E, such as work to accommodate future system expansion, or capacity increases.

Description of Direct Assignment Facilities to be installed:

1. Protection System Modifications (installation and \$_____ reconfiguration of protective devices)

2. Power Factor Adjustment \$_____

- 3. **Voltage Correction Devices** (installation of regulators, boosters, and capacitors) \$ _____
- 4. **Primary Extension Estimated Costs** (Poles, conductors, other equipment) \$ _____
- 5. **Revenue Meters** (Initial cost to install and the field set up revenue meters, plus the administrative costs of setting up the revenue data retrieval) \$ _____
- 6. **Telecommunications Facilities** (Initial payments to telephone company (or other similar organization) for the installation of phone lines, etc., plus related telecommunications work by SDG&E to establish telecom links. Does not include on-going monthly service charges.) \$ _____
- 7. **Other Facility Costs and Applicable ITCC Tax** \$ _____
- 8. **Total Initial Installation Charge** (Sum of 1 through 7) \$ _____

**DISTRIBUTION
SERVICE AGREEMENT
ATTACHMENT A**

EXHIBIT 3 - ITCC TAX

- 1. **One-time Advance Payment by Distribution Customer** (From Exhibit 2 - Direct Assignment Facilities) \$ _____
- 2. **Value of trenching, conduits, and other facilities subject to ITCC** (Description of facilities) \$ _____

3. Total taxable amount (Sum of Items 1 through 2)	\$ _____
4. Tax Rate (Sum of 1 through 7)	22%
5. Tax Due Tax Rate (In 4) X Taxable Amount (In 3) =	\$ _____

**DISTRIBUTION
SERVICE AGREEMENT
ATTACHMENT A**

**EXHIBIT 4 - COST OF OWNERSHIP CHARGE
FOR DIRECT ASSIGNMENT FACILITIES**

The cost of ownership for Direct Assignment Facilities is SDG&E's on-going cost liabilities operating facilities, including such costs as maintenance costs, replacement costs (due to age and normal life and deterioration), and property taxes.

1. Cost of Direct Assignment Facilities Installed by SDG&E (From line 8 of Exhibit 2 - Installation Charge (includes ITCC tax))	\$ _____
2. Cost of Direct Assignment Facilities Installed by Distribution Customer or Others and Deeded to SDG&E	\$ _____
3. ITCC Tax (From line 5 of Exhibit 3 - ITCC Tax and ITCC Tax applicable to line 2, above)	\$ _____
4. Total Cost Basis (Sum of line 1, line 2, less line 3)	\$ _____
5. Applicable Cost of Ownership Rate (Annual fix charge rate to be determined at time of service request)	_____ %
6. Applicable Monthly Cost of Ownership (Line 4 X line 5)/12	\$ _____/month

ATTACHMENT A

EXHIBIT 5

SERVICE AGREEMENT

ATTACHMENT A

EXHIBIT 6 - DISTRIBUTION LOSSES

A. Distribution Losses Applicable to LSEs

Based on a case-by-case analysis, the Distribution Customer shall compensate SDG&E for the monthly energy losses that occur on the Distribution System up to the Distribution Customer's point of interconnection. Energy losses will be based upon the Distribution Customer's maximum monthly demand and monthly-metered energy flow at the point of interconnection. Such energy losses shall be calculated using applicable standard engineering loss formulas.

SERVICE AGREEMENT

ATTACHMENT A

EXHIBIT 7a - CALCULATION OF DISTRIBUTION DEMAND CHARGE FOR LSEs

- | | |
|--|-----------|
| 1. Allocated Preexisting and New Distribution Facilities (Note A, below) | \$ _____ |
| 2. Annual Fixed Carrying Cost (Note B, below) | |
| 3. Annual Revenue Requirements (Line 1 X line 2) | \$ _____ |
| 4. Monthly Demand Charge (Line 3 / Note C, below) | _____ /kw |

Note A: SDG&E shall do a special study to determine the allocated portion of preexisting and new facilities that should be assigned to the customer.

Note B: The annual fixed carrying charge will be derived to recover SDG&E's cost of capital, depreciation, O&M expenses, property taxes, income taxes, etc. related with the allocated preexisting and new Distribution Facilities.

Note C: The sum of the customer's twelve monthly maximum demands as measured at the customer's meter.

**SERVICE AGREEMENT
ATTACHMENT A**

**EXHIBIT 7b - CALCULATION OF DISTRIBUTION
DEMAND CHARGE FOR GENERATORS
DISTRIBUTION SERVICE AGREEMENT
ATTACHMENT A**

Although a Distribution Customer who is a Generator will not be charged for an allocated portion of preexisting Distribution Facilities, such Distribution Customers will be responsible for the costs of distribution upgrades or an allocated portion of the upgrades directly benefiting them. The Distribution Customer can pay a customer advance as calculated in Exhibit 7c or pay a monthly demand charge as derived in this Exhibit 7b.

**EXHIBIT 7C CALCULATION OF DISTRIBUTION CUSTOMER'S ADVANCE PAYMENT FOR
GENERATORS**

Distribution Customer _____

Project Name and Location _____

The total advance payment for the upgrade facilities or an allocated portion thereof required for the above project prior to the start of construction is as follows:

- | | |
|--|-----------|
| 1. Distribution Upgrade or allocated portion thereof (Note A, below) | \$ _____ |
| 2. Annual Fixed Carrying Cost (Note B, below) | |
| 3. Annual Revenue Requirements (Line 1 X line 2) | \$ _____ |
| 4. Monthly Demand Charge (Line 3 / Note C, below) | _____ /kw |

Note A: SDG&E shall determine the upgrade or allocated portion of the upgrade

the Customer will pay. These upgrades will be determined in the Facility Study.

Note B: The annual fixed carrying charge will be derived to recover SDG&E's cost of capital, depreciation, O&M expenses, property taxes, income taxes, etc. related with the upgrade.

Note C: The sum of the customer's twelve monthly maximum demands as measured at the customer's meter.

1. Upgrade Costs or portion thereof incurred by SDG&E

The Distribution Customer agrees to pay SDG&E's total estimated cost of the facilities to serve the Distribution Customer, less credits, if any: \$_____

2. ITCC Tax

The Distribution Customer must pay the taxes on such upgrades. Calculation will be made similar to that shown in Exhibit 3 - ITCC Tax) \$ _____

3. Total

(Sum of Installation Charge and ITCC Tax) \$

ATTACHMENT B

METHODOLOGY FOR COMPLETING A SYSTEM IMPACT STUDY

SDG&E will assess the capability of its Distribution System to provide the energy and capacity levels of the service requested. In determining the level of capacity available for new service requests, SDG&E may exclude, from capacity to be made available for new service requests, that capacity needed to meet current and reasonably forecasted load of SDG&E's

customers (i.e., CPUC jurisdictional and existing wholesale distribution customers), previously pending Applications for Distribution Service and existing contractual obligations under other rate schedules.

The System Impact Study shall include:

- An assessment whether SDG&E's existing distribution system is adequate to provide the requested service.

ATTACHMENT C

METHODOLOGY FOR COMPLETING A FACILITY STUDY

SDG&E will utilize the results of the completed System Impact Study to:

- Determine the scope of the Direct Assignment Facilities and Distribution System upgrades required to provide the requested service. (Note that the scope of required new upgraded facilities should generally be the same as those determined in the System Impact Study. However, additional or changing information about the requested service, or changes to SDG&E's system may warrant an additional assessment of the distribution system impacts.) Every reasonable effort shall be made to utilize the results of the System Impact Study to avoid duplication of work. Determine the cost and schedule to construct the Direct Assignment Facilities and perform distribution system upgrades necessary to provide the requested service.

ATTACHMENT D

SMALL GENERATOR INTERCONNECTION PROCEDURES (SGIP) (For Generating Facilities No Larger Than 20 MW)

Section 1. Application

1.1 Applicability

1.1.1 A request to interconnect a certified Small Generating Facility (See Attachments 3 and 4 for description of certification criteria) no larger than 2 MW shall be evaluated under the section 2 Fast Track Process. A request to interconnect a certified inverter-based Small Generating Facility no larger than 10 kW shall be evaluated under the Attachment 5 10 kW Inverter Process. A request to interconnect a Small Generating Facility larger than 2 MW but no larger than 20 MW or a Small Generating Facility that does not pass the Fast Track Process or the 10 kW Inverter Process, shall be evaluated under the section 3 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.

1.1.3 Neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to 60 Business Days after the effective date 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 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 Providers, market participants, and Interconnection Customers interconnected with electric systems to comply with the recommendations offered by the Presidents Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. AO 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 are to the Small Generator Interconnection Agreement (SGIA)

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 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 Business Days of receiving the Interconnection Request. The Distribution Provider shall notify the Interconnection Customer within ten 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 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.

1.4 Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small 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 Control

Documentation of site control must be submitted with the Interconnection Request. Site control 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 Small 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

1.6.1 General

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 per geographic region. At the Distribution Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.

1.6.2 Clustering.

At Distribution Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the Interconnection System Impact Study.

Clustering shall be implemented on the basis of Queue Position. If Distribution Provider elects to study Interconnection Requests using Clustering, all Interconnection Requests received within a period not to exceed one hundred and eighty (180) Calendar Days, hereinafter referred to as the "Queue Cluster Window" shall be studied together. The deadline for completing all Interconnection System Impact Studies for which an Interconnection System Impact Study Agreement has been executed during a Queue Cluster Window shall be in accordance with Section 3.4, for all Interconnection Requests assigned to the same Queue Cluster Window. Distribution Provider may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility.

Clustering Interconnection System Impact Studies shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission expansion plan in light of the Distribution System's and Transmission System's capabilities at the time of each study.

The Queue Cluster Window shall have a fixed time interval based on fixed annual opening and closing dates. Any changes to the established Queue Cluster Window interval and opening or closing dates shall be announced with a posting on Distribution Provider's website beginning at least one hundred and eighty (180) Calendar Days in advance of the change and continuing thereafter through the end date of the first Queue Cluster Window that is to be modified.

1.7 Interconnection Requests Submitted Prior to the Effective Date of the SGIP

Nothing in this SGIP affects an Interconnection Customer's Queue Position assigned before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Any new studies or other additional work will be completed

pursuant to this SGIP.

1.8 The Interconnection Studies.

The Interconnection Studies consist of short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The studies would identify Interconnection Facilities, Distribution Upgrades, and any required transmission upgrades, including Reliability Network Upgrades and Delivery Network Upgrades as defined in Appendix A to the CAISO Tariff, when applicable. When requested, the Deliverability Assessment performed by the CAISO would identify any necessary Delivery Network Upgrades on the transmission system to allow full output of the proposed Small Generating Facility. The Distribution Provider may study the Distribution System under non-peak load conditions as well as peak conditions. However, upon request by the Interconnection Customer, the Distribution Provider must explain in writing to the Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

1.9 Deliverability Assessment.

1.9.1 Distribution System Deliverability.

Deliverability from the Point of Interconnection to the point where the Distribution Provider's Distribution System interconnects to the CAISO Controlled Grid (as defined in Appendix A to the CAISO Tariff) will be assessed pursuant to an Application for Distribution Service in accordance with Section 15.3 of the Tariff. An Interconnection Customer should, but is not required to, submit an Application for Distribution Service at the same time it seeks Interconnection Service.

1.9.2 CAISO Controlled Grid Deliverability.

If requested by an Interconnection Customer, the CAISO will perform pursuant to the CAISO GIP (as defined in Appendix A to the CAISO Tariff) a On-Peak Deliverability Assessment and Off-Peak Deliverability Assessment (as these terms are defined in Appendix A to the CAISO Tariff) which shall determine the Interconnection Customer's Small Generating Facility's ability to deliver its energy to the CAISO Controlled Grid and identify Delivery Network Upgrades (as defined in Appendix A to the CAISO Tariff) required to provide the Generation Facility with Full Capacity Deliverability Status (as defined in Appendix A to the CAISO Tariff).

The Interconnection Customer shall reimburse the CAISO (or alternatively the Distribution Provider) for the actual cost attributable to such Interconnection Customer of the Deliverability Assessment studies that the CAISO performs.

1.9.3 Delivery Network Upgrades. Unless the Distribution Provider elects to fund the capital for Delivery Network Upgrades, they shall be solely funded by the Interconnection Customer pursuant to CAISO GIP Section 12.3.1.

1.9.4 Repayment of Amounts Advanced for Delivery Network Upgrades.

The Interconnection Customer shall be entitled to a repayment for the cost of

Delivery Network Upgrades in accordance with CAISO GIP Section 12.3.2.

Section 2. Fast Track Process

2.1 Applicability

The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Small Generating Facility with the Distribution Provider's Distribution System if the Small Generating Facility is no larger than 2 MW and if the Interconnection Customer's proposed Small 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 Small Generating Facility and is satisfied that it is safe to operate.

2.2 Initial Review

Within 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 Small 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 Small Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Small 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 Small Generating Facility to the load side of spot network protectors, the proposed Small 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/.

2.2.1.4 The proposed Small 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.

¹A 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)

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

2.2.1.7 If the proposed Small Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Small Generating Facility, shall not exceed 20 kW.

2.2.1.8 If the proposed Small 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 Small Generating Facility, in aggregate with other generation interconnected to the distribution side of a substation transformer feeding the circuit where the Small 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 distribution 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 Small 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 five Business Days after the determination.

- 2.2.3 If the proposed interconnection fails the screens, but the Distribution Provider determines that the Small 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 five Business Days after the determination.
- 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 Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless the Interconnection Customer is willing to consider minor modifications or further study, the Distribution Provider shall provide the Interconnection Customer with the opportunity to attend a customer options meeting.

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 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 Small 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 Small 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 Obtain the Interconnection Customer's agreement to continue evaluating the Interconnection Request under the section 3 Study Process.

2.4 Supplemental Review

If the Interconnection Customer agrees to a supplemental review, the Interconnection Customer shall agree in writing within 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 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 20 Business Days of the invoice without interest.

- 2.4.1 Within ten Business Days following receipt of the deposit for a supplemental

review, the Distribution Provider will determine if the Small Generating Facility can be interconnected safely and reliably.

2.4.1.1 If so, the Distribution Provider shall forward an executable an interconnection agreement to the Interconnection Customer within five Business Days.

2.4.1.2 If so, and Interconnection Customer facility modifications are required to allow the Small Generating Facility to be interconnected consistent with safety, reliability, and power quality standards under these procedures, the Distribution Provider shall forward an executable interconnection agreement to the Interconnection Customer within five Business Days after confirmation that the Interconnection Customer has agreed to make the necessary changes at the Interconnection Customer's cost.

2.4.1.3 If so, and minor modifications to the Distribution Providers electric system are required to allow the Small Generating Facility to be interconnected consistent with safety, reliability, and power quality standards under the Fast Track Process, the Distribution Provider shall forward an executable interconnection agreement to the Interconnection Customer within ten Business Days that requires the Interconnection Customer to pay the costs of such system modifications prior to interconnection.

2.4.1.4 If not, the Interconnection Request will continue to be evaluated under the section 3 Study Process.

Section 3. Study Process

3.1 Applicability

The Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with the Distribution Providers Distribution System if the Small Generating Facility (1) is larger than 2 MW but no larger than 20 MW, (2) is not certified, or (3) is certified but did not pass the Fast Track Process or the 10 kW Inverter Process.

3.2 Scoping Meeting

3.2.1 A scoping meeting will be held within ten Business Days after the Interconnection Request is deemed complete, 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.

3.2.2 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 feasibility study or proceed directly to a system impact study, or a facilities study, or an interconnection agreement. If the Parties agree that a feasibility study should be performed, the Distribution Provider shall provide the Interconnection Customer, as soon as possible, but not later than five Business Days after the scoping meeting, a feasibility study agreement (Attachment 6) including an outline of the scope of the

study and a non-binding good faith estimate of the cost to perform the study.

- 3.2.3 The scoping meeting may be omitted by mutual agreement. In order to remain in consideration for interconnection, an Interconnection Customer who has requested a feasibility study must return the executed feasibility study agreement within 15 Business Days. If the Parties agree not to perform a feasibility study, the Distribution Provider shall provide the Interconnection Customer, no later than five Business Days after the scoping meeting, a 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 Feasibility Study

- 3.3.1 The feasibility study shall identify any potential adverse system impacts that would result from the interconnection of the Small Generating Facility.
- 3.3.2 A deposit of the lesser of 50 percent of the good faith estimated feasibility study costs or earnest money of \$1,000 may be required from the Interconnection Customer.
- 3.3.3 The scope of and cost responsibilities for the feasibility study are described in the attached feasibility study agreement.
- 3.3.4 If the feasibility study shows no potential for adverse system impacts, the Distribution Provider shall send the Interconnection Customer a facilities 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. If no additional facilities are required, the Distribution Provider shall send the Interconnection Customer an executable interconnection agreement within five Business Days.
- 3.3.5 If the feasibility study shows the potential for adverse system impacts, the review process shall proceed to the appropriate system impact study(s).

3.4 System Impact Study

- 3.4.1 A system impact study shall identify and detail the electric system impacts that would result if the proposed Small Generating Facility were interconnected without project modifications or electric system modifications, focusing on the adverse system impacts identified in the feasibility study, or to study potential impacts, including but not limited to those identified in the scoping meeting. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the electric system.
- 3.4.2 If no transmission system impact study is required, but potential electric power Distribution System adverse system impacts are identified in the scoping meeting or shown in the feasibility study, a distribution system impact study must be performed. The Distribution Provider shall send the Interconnection Customer a distribution system impact study agreement within 15 Business Days of transmittal of the feasibility study report, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or following the scoping meeting if no feasibility study is to be performed.
- 3.4.3 In instances where the feasibility study or the distribution system impact

study shows potential for transmission system adverse system impacts, within five Business Days following transmittal of the feasibility study report, the Distribution Provider shall send the Interconnection Customer a transmission 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, if such a study is required.

- 3.4.4** If a transmission system impact study is not required, but electric power Distribution System adverse system impacts are shown by the feasibility study to be possible and no distribution system impact study has been conducted, the Distribution Provider shall send the Interconnection Customer a distribution system impact study agreement.
- 3.4.5** If the feasibility study shows no potential for distribution system or Distribution System adverse system impacts, the Distribution Provider shall send the Interconnection Customer either a facilities study agreement (Attachment 8), including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.
- 3.4.6** In order to remain under consideration for interconnection, the Interconnection Customer must return executed system impact study agreements, if applicable, within 30 Business Days.
- 3.4.7** A deposit of the good faith estimated costs for each system impact study may be required from the Interconnection Customer.
- 3.4.8** The scope of and cost responsibilities for a system impact study are described in the attached system impact study agreement.
- 3.4.9** Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission-dependent utilities (*MAN) - 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 Facilities Study

- 3.5.1** Once the required system impact study(s) is completed, a system impact study report shall be prepared and transmitted to the Interconnection Customer along with a facilities study agreement within five Business Days, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study. In the case where one or both impact studies are determined to be unnecessary, a notice of the fact shall be transmitted to the Interconnection Customer within the same timeframe.
- 3.5.2** 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 facilities study agreement or a request for an extension of time within 30 Business Days.
- 3.5.3** 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 system impact study(s).
- 3.5.4** Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. The Distribution Provider may contract with consultants to perform activities required under the 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 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.
 - 3.5.5** A deposit of the good faith estimated costs for the facilities study may be required from the Interconnection Customer.
 - 3.5.6** The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement.
 - 3.5.7** Upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, the Distribution Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days.

Section 4. Provisions that Apply to All Interconnection Requests

4.1 Reasonable Efforts

The Distribution Provider shall make reasonable efforts to meet all time frames provided in these procedures unless the Distribution Provider and the Interconnection Customer agree to a different schedule. If the Distribution Provider cannot meet a deadline 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.

4.2 Disputes

- 4.2.1** The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 4.2.2** 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.
- 4.2.3** If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 4.2.4** 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>.

4.2.5 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.

4.2.6 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.

4.3 Interconnection Metering

Any metering necessitated by the use of the Small 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.

4.4 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 five 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.

4.5 Confidentiality

4.5.1 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.

4.5.2 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.

4.5.2.1 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.

4.5.2.2 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.

4.5.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise,

requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as -confidential and non-public by FERC and that the information be withheld from public-disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

4.6 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 Small Generating Facility is owned or operated by the Distribution Provider, its subsidiaries or affiliates, or others.

4.7 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.

4.8 Interconnection Agreement

After receiving an interconnection agreement from the Distribution Provider, the Interconnection Customer shall have 30 Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement, or request that the Distribution Provider file an unexecuted interconnection agreement with the Federal Energy Regulatory Commission. If the Interconnection Customer does not sign the interconnection agreement, or ask that it be filed unexecuted by the Distribution Provider within 30 Business Days, the Interconnection Request shall be deemed withdrawn. After the interconnection agreement is signed by the Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.

4.9 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 Distribution Provider which may be an Affected System 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.

4.10 Capacity of the Small Generating Facility

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

4.10.2 If the Interconnection Request is for a Small 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.

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

4.11 Interconnection Customer to Meet Requirements of 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 SGIP and the terms of the Distribution Provider's Interconnection Handbook, the terms in the SGIP shall govern.

Attachment 1 Glossary of Terms

10 kW Inverter Process - The procedure for evaluating an Interconnection Request for a certified inverter-based Small 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 SGIP Attachment 5.

Affected System - An electric system other than the Distribution Provider's Distribution System that may be affected by the proposed interconnection.

Business Day - Monday through Friday, excluding federal holidays.

CAISO 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.

CAISO Tariff shall mean the California Independent System Operator Corporation's Operating Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time.

Distribution System - The Distribution Provider's facilities and equipment 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 Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

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

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 Small Generating Facility with the Distribution Provider's Distribution System.

Interconnection Facilities - The Distribution Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small 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 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 SGIP and terms of the Distribution Provider's Interconnection Handbook, the terms of the SGIP shall govern.

Interconnection Request - The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Distribution Provider's Distribution System.

Material Modification - A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

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. Network Upgrades do not include Distribution Upgrades.

Party or Parties - The Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Point of Interconnection - The point where the Interconnection Facilities connect with the Distribution Provider's Distribution System.

Queue Position - The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Distribution Provider.

Small 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.

Study Process - The procedure for evaluating an Interconnection Request that includes the section 3 scoping meeting, feasibility study, system impact study, and facilities study.

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 Small 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 distribution of electricity in interstate commerce and provides 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 transmission facilities owned by the Distribution Provider that have been placed under the CAISO's operational control and are part of the CAISO Grid.

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
SMALL GENERATOR INTERCONNECTION REQUEST
(Application Form)

Distribution Provider: _____

Designated Contact Person: _____

Address: _____

Telephone Number. _____

Fax: _____

E-Mail Address: _____

An Interconnection Request is considered complete when it provides all applicable and correct information required below.

Preamble and Instructions

An Interconnection Customer who requests a Federal Energy Regulatory Commission jurisdictional interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the Distribution Provider.

Processing Fee or Deposit

If the Interconnection Request is submitted under the Fast Track Process, the non-refundable processing fee is \$500.

If the Interconnection Request is submitted under the Study Process, whether a new submission or an Interconnection Request that did not pass the Fast Track Process, the Interconnection Customer shall submit to the Distribution Provider a deposit not to exceed \$1,000 towards the cost of the feasibility study.

Interconnection Customer information

Legal Name of the Interconnection Customer (or, if an individual, Individual's name)

Name: _____

Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Facility Location (if different from above): _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail _____

Address: _____

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name: _____

Title: _____

Generator Nameplate Rating: _____ kW (Typical) Generator Nameplate kVAR: _____

Interconnection Customer or Customer-Site Load: _____ kW (if none, so state)

Typical Reactive Load (if known): _____

Maximum Physical Export Capability Requested: _____ kW

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

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

Is the prime mover compatible with the certified protective relay package? Yes ___ No ___

Generator (or solar collector)
Manufacturer, Model Name & Number: _____
Version Number: _____

Nameplate Output Power Rating in kW: (Summer) _____ (Winter) _____
Nameplate Output Power Rating in kVA: (Summer) _____ (Winter) _____

Individual Generator Power Factor
Rated Power Factor: Leading: _____ Lagging: _____

Three phase winding configuration: ___ 3 wire delta ___ 3 wire wye ___ 4 wire wye

Total Number of Generators in wind farm to be interconnected pursuant to this Interconnection Request: _____
Elevation: _____ Single Phase Three Phase

Inverter Manufacturer, Model Name & Number (if used): _____

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

Note: A completed Power Systems Load Flow data sheet must be supplied with the Interconnection Request.

Small Generating Facility Characteristic Data (for inverter-based machines)

Max design fault contribution current: _____ Instantaneous ___ or RMS?

Short circuit produced by generator _____ amps

Wiring configuration ___ Single phase ___ Three phase

Provide complete dynamic model in GE PSLF format

(Provide equivalent impedance model of the Solar Collector System in GE PSLF format)

Harmonics Characteristics: _____

Start-up requirements: _____

Small Generating Facility Characteristic Data (for rotating machines)

Rated RPM: _____ Neutral Grounding System Used ___ underground ___ solidly grounded ___ neutral grounding Resistor (If Applicable):

Synchronous Generators:

Direct Axis Synchronous Reactance, Xd: ___ P.U.
Direct Axis Transient Reactance, X'd[∞]: _____
Direct Axis Subtransient Reactance, X''_d: _____ : P.U.
Negative Sequence Reactance, X2: _____ P.U.
Zero Sequence Reactance, Xo: _____ P.U.
KVA Base: _____
Field Volts:
Field Amperes:

Induction Generators:

Motoring Power (kW):
 $I_2^2 t$ or K (Heating Time Constant): _____
Rotor Resistance, Rr: _____
Stator Resistance, Rs:
Stator Reactance, Xs:
Rotor Reactance, Xr:
Magnetizing Reactance, Xm:
Short Circuit Reactance, Xd'':
Exciting Current:
Temperature Rise:
Frame Size:
Design Letter:
Reactive Power Required In Vars (No Load):
Reactive Power Required In Vars (Full Load):
Total Rotating Inertia, H: _____ Per Unit on kVA Base

Note: Please contact the Distribution Provider prior to submitting the Interconnection Request to determine if the specified information above is required.

Excitation and Governor System Data for Synchronous Generators Only

Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the regional reliability council criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.

Interconnection Facilities Information

Will a transformer be used between the generator and the point of common coupling? Yes _____ No

Will the transformer be provided by the Interconnection Customer? Yes _____ No

Transformer Data (If Applicable. For Interconnection Customer-Owned Transformer).

Is the transformer: _____ single phase _____ three phase? Size: _____ kVA
Transformer Impedance: _____ % on _____ kVA Base

If Three Phase:

Transformer Primary:	Volts	Delta	Wye	Wye Grounded
Transformer Secondary:	Volts	Delta	Wye	Wye Grounded
Transformer Tertiary:	Volts	Delta	Wye	Wye Grounded

Transformer Fuse Date (If Applicable. For Interconnection Customer-Owned Fuse):

(Attach copy of fuse manufacturer's Minimum melt and Total Clearing Time-Current Curves)

Manufacturer: _____ Type: _____ Size: _____ Speed: _____

Interconnecting Circuit Breaker (If Applicable):

Manufacturer: _____ Type: _____
Load Rating (Amps): _____ Interrupting Rating (Amps): _____ Trip Speed (Cycles): _____

Interconnection Protective Relays (If Applicable):

If Microprocessor-Controlled:

List of Functions and Adjustable Setpoints for the protective equipment or software:

Setpoint Function	Minimum	Maximum
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

If Discrete Components:

(Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____
Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____
Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Current Transformer Data (if Applicable):

(Enclose Copy of Manufacturers Excitation and Ratio Correction Curves)

Manufacturer: _____
Type: _____ Accuracy Class: Proposed Ratio Connection: _____

Manufacturer: _____
Type: _____ Accuracy Class: Proposed Ratio Connection: _____

Potential Transformer Data (If Applicable):

Manufacturer: _____
Type: _____ Accuracy Class: Proposed Ratio Connection: _____

Manufacturer: _____
Type: _____ Accuracy Class: Proposed Ratio Connection: _____

General Information

Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW. Is One-Line Diagram Enclosed? _____ Yes _____ No

Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g. USGS topographic map or other diagram or documentation).

Proposed location of protective interface equipment on property (include address if different from the Interconnection Customer's address) _____

Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? _____ Yes _____ No

Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable).

Are Schematic Drawings Enclosed? _____ Yes _____ No

Applicant's Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct.

For Interconnection Customer. _____ Date: _____

Complete only if requested by Distribution Provider

**APPENDIX A TO ATTACHMENT 2
ADDITIONAL GENERATING FACILITY DATA**

.1 Synchronous Generator - General Information:

(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. Attach generator reactive capability curves.
- I. Rated Hydrogen Cooling Pressure in psig (Steam Units only): _____
- J. 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.

.2 Excitation System Information

(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?

.3 Power System Stabilizer Information

(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. 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?

.4 Turbine-Governor Information

(Repeat the following for each generator model)

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: _____ kW
 - (3) Minimum turbine power output (while on line): _____ kW
 - (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?

.5 Step-Up Transformer Data

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

.6 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

**.7 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

.8 Wind Generators

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

Field Volts: _____

Field Amperes: _____

Motoring Power (kW): _____
 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 Positive Sequence Load Flow (GE 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.

.9 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 the Interconnection Request.

If applicable, for each generator, governor, exciter and power system stabilizer, select the appropriate dynamic model from the GE PSLF User's Manual and provide the required input data. Include any user written *.p EPCL files to simulate inverter based plants' dynamic responses (typically needed for inverter based PV/wind plants). Provide a completed *.dyd file that contains the information specified in this section.

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.

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 Ohms	- - -H- -	- - -X -	- - -Y -

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 Small Generator Equipment Packages

1.0 Small 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 SGIP 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 small 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 Small 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 Business Days of receipt
- 3.0 The Company evaluates the Application for completeness and notifies the Customer within ten 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 Small Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the Small Generator Interconnection Procedures (SGIP). The Company has 15 Business Days to complete this process. Unless the Company determines and demonstrates that the Small 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 Small 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 Small Generating Facility is authorized. If the witness test is not satisfactory, the Company has the right to disconnect the Small 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 Business Days of the receipt of the Certificate of Completion. If the Company does not inspect within ten 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 Small 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 Small Generating Facility
No Larger than 10kW

This Application is considered complete when it provides all applicable and correct Information required below. 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):

Small 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 Small Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Attachments 3 and 4 of the Small Generator Interconnection Procedures (SGIP), or the Distribution Provider has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

List components of the Small 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 Small Generating Facility No Larger than 10kW and return the Certificate of Completion when the Small Generating Facility has been installed.

Signed: _____

Title: _____ Date: _____

Contingent Approval to Interconnect the Small Generating Facility

(For Company use only)

Interconnection of the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small 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 _____

Small Generating Facility Certificate of Completion

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

Interconnection Customer: _____

Contact Person: _____

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 Small 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 Small Generating Facility (For Company use only)

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

Company Signature: _____

Title: Date: _____

Terms and Conditions for interconnecting an Inverter-Based
Small 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 Small 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 Small 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 Small 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 Small 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 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 Small 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 Small Generating Facility within ten 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 Small Generating Facility.
- 2.4 The Company has the right to disconnect the Small 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 Small 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 Small 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 Small 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 Small 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 Small 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 Small 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 Small 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
Feasibility Study Agreement**

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

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

WHEREAS, Interconnection Customer has requested the Distribution Provider to perform a feasibility study to assess the feasibility of interconnecting the proposed Small 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 Small Generator Interconnection Procedures.

2.0

3.0 The Interconnection Customer elects and the Distribution Provider shall cause to be performed an interconnection feasibility study consistent the standard Small Generator Interconnection Procedures in accordance with the Open Access Distribution Tariff.

3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. 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 feasibility study and as designated in accordance with the standard Small Generator Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.

5.0

5.0 In performing the study, the Distribution Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.

6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:

- 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - 6.3 Initial review of grounding requirements and electric system protection; and
 - 6.4 Description and non-bonding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.
- 7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.
- 8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.
- 9.0 A deposit of the lesser of 50 percent of good faith estimated feasibility study costs or earnest money of \$1,000 may be required from the Interconnection Customer.
- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a feasibility study.
- 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 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 30 calendar days of the invoice without interest.
- 13.0 Miscellaneous.
- 13.1 Substantial portions of technical data and assumptions used to perform the facilities study, such as system conditions, existing and planned generation, and unit modeling, may change after the Distribution Provider provides the facilities study report to the Interconnection Customer. Study results will reflect available data at the time the Distribution Provider provides the facilities study to the Interconnection Customer. The Distribution Provider shall not be responsible for any additional costs, including, without limitation, costs of new or additional facilities, system upgrades, or schedule changes, that may be incurred by the Interconnection Customer as a result of changes in such data and assumptions.
 - 13.2 The Distribution Provider shall maintain records and accounts of all costs incurred in performing the facilities study, inclusive of any re-studies or amendments thereto, in sufficient detail to allow verification of all costs incurred, including associated overhead. The Interconnection Customer shall have the right, upon reasonable notice, within a reasonable time following receipt of the final cost report associated with this facilities study 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 facilities study, inclusive of any re-study or amendment thereto.

- 13.3 This Agreement shall become effective upon the date the fully executed Agreement and deposit specified in Section 6.0 of this Agreement are received by the Distribution Provider. If the Distribution Provider does not receive the fully executed Agreement and payment within 30 Business Days, or request an extension, pursuant to Section 4.1 of the SGIP, then the Interconnection Request will be deemed withdrawn.
- 13.4 Dispute Resolution. Any dispute, or assertion of a claim, arising out of or in connection with this Agreement, shall be resolved in accordance with Section 4.2 of the SGIP.
- 13.5 Confidentiality. Confidential Information shall be treated in accordance with Section 4.5 of the SGIP.
- 13.6 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 13.7 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 13.8 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 to the SGIP or such Appendix to the SGIP, as the case may be; (6) 'hereunder', 'hereof', 'herein', 'hereto' and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section, or other provision hereof or thereof; (7) 'including' (and with correlative meaning 'include') means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, 'from' means "from and including", 'to' means "to but excluding" and 'through' means "through and including".
- 13.9 Entire Agreement. This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.
- 13.10 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 13.11 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either

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

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

Attachment A to
Feasibility Study Agreement
Assumptions Used in Conducting the Feasibility Study

The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the scoping meeting held on _____.

- (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 7

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 California ("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 Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on _____; and

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

WHEREAS, the Distribution Provider has completed a feasibility study and provided the results of said study to the Interconnection Customer (This recital to be omitted if the Parties have agreed to forego the feasibility study(s) to assess the impact of interconnecting the Small 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 Small 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 Small Generator Interconnection Procedures in accordance with the Open Access Distribution Tariff.
- 3.0 The scope of a system impact study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 A system impact study will be based upon the results of the feasibility study and 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 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 system impact study may be extended.
- 5.0 A 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. A 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. A 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 A distribution 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 a 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 a system impact study that covers potential adverse system impacts on their electric systems, and the Distribution Provider has 20 additional Business Days to complete a 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 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 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 A distribution system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 30 Business Days after this Agreement is signed by the Parties. A distribution system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 45 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 a distribution system impact study and the one half the good faith estimated cost of a distribution system impact study may be required from the Interconnection Customer.
- 11.0 Any study fees shall be based on the Distribution Providers 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 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 30 calendar days of the invoice without interest.
- 13.0 Miscellaneous.
 - 13.1 Substantial portions of technical data and assumptions used to perform the facilities study, such as system conditions, existing and planned generation, and unit modeling, may change after the Distribution Provider provides the facilities study report to the Interconnection Customer. Study results will reflect available data at the time the Distribution Provider provides the facilities study to the

Interconnection Customer. The Distribution Provider shall not be responsible for any additional costs, including, without limitation, costs of new or additional facilities, system upgrades, or schedule changes, that may be incurred by the Interconnection Customer as a result of changes in such data and assumptions.

- 13.2 The Distribution Provider shall maintain records and accounts of all costs incurred in performing the facilities study, inclusive of any re-studies or amendments thereto, in sufficient detail to allow verification of all costs incurred, including associated overhead. The Interconnection Customer shall have the right, upon reasonable notice, within a reasonable time following receipt of the final cost report associated with this facilities study 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 facilities study, inclusive of any re-study or amendment thereto.
- 13.3 This Agreement shall become effective upon the date the fully executed Agreement and deposit specified in Section 6.0 of this Agreement are received by the Distribution Provider. If the Distribution Provider does not receive the fully executed Agreement and payment within 30 Business Days, or request an extension, pursuant to Section 4.1 of the SGIP, then the Interconnection Request will be deemed withdrawn.
- 13.4 Dispute Resolution. Any dispute, or assertion of a claim, arising out of or in connection with this Agreement, shall be resolved in accordance with Section 4.2 of the SGIP.
- 13.5 Confidentiality. Confidential Information shall be treated in accordance with Section 4.5 of the SGIP.
- 13.6 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 13.7 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 13.8 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 to the SGIP or such Appendix to the SGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import

shall be deemed references to this Agreement as a whole and not to any particular Article, Section, or other provision hereof or thereof; (7) Including' (and with correlative meaning Include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, 'from' means "from and including', 'to' means "to but excluding' and "through" means "through and including".

- 13.9 Entire Agreement. This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.
- 13.10 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 13.11 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right or duty of this Agreement. Termination or default of this Agreement for any reason by the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Distribution Provider. Any waiver of this Agreement shall, if requested, be provided in writing.
- 13.12 Headings. The descriptive headings of the various Articles and Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement
- 13.13 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument
- 13.14 Reservation of Rights. The Distribution Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.
- 13.15 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall

have any right, power or authority to enter into any agreement or undertaking for, or act • on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.

- 13.16 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 Small 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

Insert name of Interconnection Customer

Signed _____
Name (printed) _____
Title _____

Signed _____
Name (printed) _____
Title _____

Attachment A to
System Impact Study Agreement

Assumptions Used in Conducting the System impact Study

The system impact study shall be based upon the results of the feasibility study, subject to any modifications in accordance with the standard Small 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.

(3) 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
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 _____ 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 Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on ___ and

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

WHEREAS, the Distribution Provider has completed a 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 system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility with the Distribution Provider's Distribution 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 Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Distribution Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access 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 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 Small 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 45 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 30 Business Days.
- 6.0 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 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.
- 7.0
- 8.0 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.
- 9.0
- 10.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 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 30 calendar days of the invoice without interest.
- 11.0 Miscellaneous.
- 11.1 Substantial portions of technical data and assumptions used to perform the facilities study, such as system conditions, existing and planned generation, and unit modeling, may change after the Distribution Provider provides the facilities study report to the Interconnection Customer. Study results will reflect available data at the time the Distribution Provider provides the facilities study to the Interconnection Customer. The Distribution Provider shall not be responsible for any additional costs, including, without limitation, costs of new or additional facilities, system upgrades, or schedule changes, that may be incurred by the Interconnection Customer as a result of changes in such data and assumptions.
- 11.2 The Distribution Provider shall maintain records and accounts of all costs incurred in performing the facilities study, inclusive of any re-studies or amendments thereto, in sufficient detail to allow verification of all costs incurred, including associated overhead. The Interconnection Customer shall have the right, upon reasonable notice, within a reasonable time following receipt of the final cost report associated with this facilities study 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 facilities study, inclusive of any re-study or amendment thereto.
- 11.3 This Agreement shall become effective upon the date the fully executed Agreement and deposit specified in Section 6.0 of this Agreement are received by the Distribution Provider. If the Distribution Provider does not receive the fully executed Agreement and payment within 30 Business Days, or request an extension, pursuant to Section 3.5 of the SGIP, then the Interconnection Request will be deemed withdrawn.
- 11.4 Dispute Resolution. Any dispute, or assertion of a claim, arising out of or in connection with this Agreement, shall be resolved in accordance with Section 4.2 of the SGIP.
- 11.5 Confidentiality. Confidential Information shall be treated in accordance with

Section 4.5 of the SGIP.

- 11.6 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.
- 11.7 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.
- 11.8 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 to the SGIP or such Appendix to the SGIP, 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 Iran and including', "to" means 'to but excluding' and "through" means "through and including".
- 11.9 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.
- 11.10 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. 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.
- 11.12 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.

- 11.13 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.

- 11.14 Reservation of Rights. The Distribution Provider shall have the right to make a unilateral Ming 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.

- 11.15 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.

- 11.16 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 Small 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 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: _____

Attachment A to
Facilities Study Agreement

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

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, distribution 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 Small Generating Facility?

What protocol does the control system of PLC use?

Please provide a 7.5 minute quadrangle map of the site. Indicate the plant, station, distribution 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 Providers Distribution System.

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

Number of third party easements required for distribution lines:

- To be completed in coordination with Distribution Provider.

Is the Small 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

Date: _____
receive back feed power

Generation Testing Date: _____

Commercial Operation Date: _____

ATTACHMENT E

SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA) (For Generating Facilities No Larger Than 20 MW)

This Interconnection Agreement ("Agreement") is made and entered into this ____ day of _____, 20____, by _____ ("Distribution Provider"), and _____ ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."
Distribution Provider Information

Distribution Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____
Fax: _____

Interconnection Customer Information:

Customer Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____
Fax: _____

Interconnection Customer Application
No.: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

- 1.1 This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.

- 1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Distribution Provider's Distribution System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the Distribution Provider and the CAISO in accordance with the CAISO Tariff.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between the Distribution Provider and the Interconnection Customer.
- 1.5 Responsibilities of the Parties
 - 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
 - 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, in accordance with this Agreement, and with Good Utility Practice.
 - 1.5.3 The Distribution Provider shall construct, operate, and maintain its Distribution System, Transmission System and Interconnection Facilities, Distribution Upgrades, and Network Upgrades in accordance with this Agreement, and with Good Utility Practice.
 - 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Distribution Provider or Affected Systems. The Interconnection Customer shall comply with the Distribution Provider's Interconnection Handbook. In the event of a conflict between the terms of this SGIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this SGIA shall govern.
 - 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the

point of change of ownership. The Distribution Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Distribution Provider's Transmission System, Distribution System personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6 The Distribution Provider shall coordinate with all Affected Systems to support the interconnection.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the system operator for the Distribution Provider's Distribution System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Distribution Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power

1.8.1 The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established different requirements that apply to all similarly situated generators in the control area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

1.8.2 The Transmission Provider is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when the Distribution Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1. In addition, if the Distribution Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.

1.8.3 Payments shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate

schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced.

- 1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Distribution Provider of such activities no fewer than five (5) Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Distribution Provider may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Distribution Provider a written test report when such testing and inspection is completed.

2.1.2 The Distribution Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customers written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Distribution Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Distribution Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Distribution Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Distribution Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Distribution Providers Distribution System without prior written authorization of the Distribution Provider. The Distribution Provider will provide such authorization once the Distribution Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

- 2.3.1 Upon reasonable notice, the Distribution Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Distribution Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.
- 2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Distribution Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.
- 2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Distribution Provider shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

- 3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Distribution Provider 20 Business Days written notice.
- 3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Distribution Provider's Distribution System. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.4 This provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions -- "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Distribution System or the Distribution Provider's Interconnection Facilities or the Transmission Systems of others to which the Distribution System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Distribution Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Distribution Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the Distribution Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Distribution Provider's Transmission System or Distribution System or other Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair
The Distribution Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Distribution Provider's Distribution System when necessary for routine maintenance, construction, and repairs on the Distribution Provider's Distribution System. The Distribution Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Distribution Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the Distribution Provider may suspend interconnection service to effect immediate repairs on the Distribution Provider's Distribution System. The Distribution Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Distribution Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Distribution Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Distribution Provider's Distribution System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Distribution Provider may disconnect the Small Generating Facility. The Distribution Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Distribution Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Distribution Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Distribution Provider's Distribution System and Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Distribution Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such

facilities by agreement of the Interconnection Customer, such other entities, and the Distribution Provider.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Distribution Providers Interconnection Facilities.

4.2 Distribution Upgrades

The Distribution Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 2 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Distribution Provider or the Distribution Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 2 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Distribution Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.2.1 Repayment of Amounts Advanced for Network Upgrades

The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Distribution Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection

Customer on a dollar-for-dollar basis for the non-usage sensitive portion of Distribution charges, as payments are made under the Distribution Provider's Tariff and Affected System's Tariff for distribution services with respect to the Small Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may

assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the Distribution Provider, and Affected System operator may adopt any alternative payment schedule that is mutually agreeable so long as the Distribution Provider and Affected System operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Distribution Provider or Affected System operator will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of Distribution charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

5.2.1.2 If the Small Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Distribution Provider and Affected System operator shall at that time reimburse the Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

5.3 Special Provisions for Affected Systems

Unless the Distribution Provider provides, under this Agreement, for the repayment of amounts advanced to Affected System operator for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Small Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Distribution Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of the Distribution Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Distribution Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Distribution Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Distribution Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Distribution Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Distribution Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Distribution Provider's Interconnection Facilities and Upgrades, the Interconnection

Customer shall provide the Distribution Provider, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Distribution Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Distribution Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Distribution Provider under this Agreement during its term. In addition:

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

6.3.2 The letter of credit or surety bond must be issued by a financial institution or insured reasonably acceptable to the Distribution Provider and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Distribution Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Distribution Provider of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any

act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

- 7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.
- 7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.
- 7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of

liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

- 7.5.1 As used in this article, a **Force Majeure Event** shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."
- 7.5.2 If a **Force Majeure Event** prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the **Force Majeure Event** (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the **Force Majeure Event**, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the **Force Majeure Event** until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the **Force Majeure Event** cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

- 7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a **Force Majeure Event** as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.
- 7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further

obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

- 8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Distribution Provider, except that the Interconnection Customer shall show proof of insurance to the Distribution Provider no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2 The Distribution Provider agrees to maintain general liability insurance or self-insurance consistent with the Distribution Providers commercial practice. Such insurance or self-insurance shall not exclude coverage for the Distribution Providers liabilities undertaken pursuant to this Agreement.
- 8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

- 9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
- 9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

Article 10. Disputes

- 10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (est., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement

Article 11. Taxes

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Distribution Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

- 12.1 Governing Law, Regulatory Authority, and Rules
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of California (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 12.2 Amendment
The Parties may amend this Agreement by a written instrument duly executed by both Parties.
- 12.3. No Third-Party Beneficiaries
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.
- 12.4 Waiver
 - 12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
 - 12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Distribution Provider. Any waiver of this Agreement shall, if requested, be provided in writing.
- 12.5 Entire Agreement
This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all

prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

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

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to

comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Distribution Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractors insurance.

12.12 Reservation of Rights

The Distribution Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national carrier service, or sent by first class mail, postage prepaid, to the person specified below: If to the Interconnection Customer:

Interconnection Customer

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____

Fax: _____

If to the Distribution Provider:

Distribution Provider. _____

Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____
Fax: _____

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below.

Interconnection Customer _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Distribution Provider: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below.

If to the Interconnection Customer.

Interconnection Customer: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

If to the Distribution Provider.

Distribution Provider: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

Distribution Provider's Operating Representative:

Distribution Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

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

For the Distribution Provider

Name: _____

Title: _____

Date: _____

For the Interconnection Customer

Name: _____

Title: _____

Date: _____

Attachment 1

Glossary of Terms

Affected System - An electric system other than the Distribution Provider's Distribution System that may be affected by the proposed interconnection.

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

Business Day - Monday through Friday, excluding Federal Holidays.

Default - The failure of a breaching Party to cure its Breach under the Small Generator Interconnection Agreement.

Distribution Owner - The entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the Small 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 distribution of electricity in interstate commerce and provides 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 System - The Distribution Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage Distribution 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 Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Good Utility Practice - Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

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

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 Small Generating Facility with the Distribution Provider's Distribution System.

Interconnection Facilities - The Distribution Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small

Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small 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 Handbook - A handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. In the event of a conflict between the terms of this SGIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this SGIA shall govern.

Interconnection Request - The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Distribution Provider's Distribution System.

Material Modification - A modification that has a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with a later queue priority date.

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 Small Generating Facility with the Distribution Provider's Distribution System. Network Upgrades do not include Distribution Upgrades.

Operating Requirements - Any operating and technical requirements that may be applicable due to Regional Transmission Organization, California Independent System Operator Corporation, control area, or the Distribution Provider's requirements, including those set forth in the Small Generator Interconnection Agreement.

Party or Parties - The Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Point of Interconnection - The point where the Interconnection Facilities connect with the Distribution Provider's Distribution System.

Reasonable Efforts - With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small 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.

Tariff - The Distribution Provider's Wholesale Distribution Access 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.

Transmission System - The facilities owned by the Distribution Provider that have been placed under the CAISO's operational control and are part of the CAISO Grid.

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

Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Distribution Provider, or the Distribution Owner. The Distribution Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Attachment 3

One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

Attachment 4

Milestones

In-Service Date

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	Responsible Party
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____
(9)	_____	_____
(10)	_____	_____

Agreed to by:

For the Distribution Provider _____
Date _____

For the Distribution Owner (if applicable) _____
Date _____

For the Interconnection Customer _____
Date _____

Attachment 5

Additional Operating Requirements for the Distribution Provider's Distribution System and Affected Systems Needed to Support the Interconnection Customer's Needs

The Distribution Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Distribution Provider's Distribution System.

ATTACHMENT F

STANDARD LARGE GENERATOR INTERCONNECTION PROCEDURES (LGIP)

(Applicable to Generating Facilities that exceed 20 MW)

STANDARD LARGE GENERATOR INTERCONNECTION PROCEDURES

Section 1. Definitions.

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

Affected System shall mean an electric system other than the Distribution Provider's Distribution System that may be affected by the proposed interconnection.

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

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

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

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.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Distribution Provider or Interconnection Customer

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

the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

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

CAISO 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.

CAISO Controlled Grid shall mean the transmission lines and associated facilities of the Participating TOs that have been placed under the CAISO's operational control.

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

CAISO Generator Interconnection Procedures (GIP) shall mean the procedures included in Appendix Y to the CAISO Tariff to interconnect a Generating Facility as such procedures may be modified from time to time, and accepted by the Commission.

CAISO Tariff shall mean the California Independent System Operator Corporation Operating Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time.

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

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation 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 pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

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.

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 Article

17 of the Standard Large Generator Interconnection Agreement.

Delivery Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the CAISO Grid, other than Reliability Network Upgrades, identified in the Interconnection Studies to relieve constraints on the CAISO 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 shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

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

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

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

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

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

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

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

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

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

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

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

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

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

Generating Facility Capacity 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.

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

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

Hazardous Substances shall mean any chemicals, materials or substances defined as or

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

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

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

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

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

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

Interconnection Facilities Study shall mean a study conducted by the Distribution Provider or a third party consultant for the Interconnection Customer 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 Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Distribution Provider's Distribution System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Handbook shall mean a handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. Distribution Provider's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and Applicable Reliability Standards. In the event of a conflict between the terms of the Standard Large Generator Interconnection Procedures and the terms of the Distribution Provider's Interconnection Handbook, the terms in the Standard Large Generator Interconnection Procedures shall govern.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, 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 Standard Large Generator Interconnection Agreement and, if applicable, the Distribution Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

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

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

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

Loss shall mean any and all 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 Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

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

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

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

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

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

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

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Distribution Provider's Distribution System.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid 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 Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Reliability Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the CAISO Grid, necessary

to interconnect a Large Generating Facility safely and reliably to the CAISO Grid, which would not have been necessary but for the interconnection of the Large Generating Facility, including Network Upgrades necessary to remedy short circuit or stability problems resulting from the interconnection of the Large Generating Facility to the Distribution Provider's Distribution System. Reliability Network Upgrades also include, consistent with WECC practice, the facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's WECC rating.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Distribution Provider 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 Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

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

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

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Distribution Provider's Tariff.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Distribution Provider's Tariff.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Distribution Provider's Distribution System, the CAISO Controlled Grid and Affected Systems from faults or other electrical disturbances occurring at the Generating Facility; and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Distribution Provider's Distribution System, the CAISO 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 shall mean the Wholesale Distribution Open Access Tariff, the Distribution Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission System shall mean those transmission facilities owned by the Distribution

Provider or that have been placed under the CAISO's operational control and are part of the CAISO 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.

Section 2. Scope and Application.

2.1 Application of Standard Large Generator Interconnection Procedures.

Sections 2 through 13 apply to processing an Interconnection Request pertaining to a Large Generating Facility.

2.2 Comparability.

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

2.3 Base Case Data.

Distribution Provider shall provide base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list upon request subject to confidentiality provisions in LGIP Section 13.1. Distribution Provider is permitted to require that Interconnection Customer sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such Base Cases shall include all (1) generation projects; and (2) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Distribution Service.

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

Section 3. Interconnection Requests.

3.1 General.

An Interconnection Customer shall submit to Distribution Provider an

Interconnection Request in the form of Appendix 1 to this LGIP and a refundable deposit of \$10,000. Distribution Provider shall apply the deposit toward the cost of an Interconnection Feasibility Study. Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

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

At Interconnection Customer's option, Distribution Provider and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at the Scoping Meeting to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point(s) of Interconnection to be studied no later than the execution of the Interconnection Feasibility Study Agreement.

3.2 Interconnection Service.

3.2.1 The Product.

Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Distribution System and be eligible to deliver the Large Generating Facility's output using the capacity of the Distribution System to the CAISO Grid. Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.

3.2.2 The Interconnection Studies.

The Interconnection Studies consist of short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The short circuit/fault duty analysis would identify direct Interconnection Facilities, Distribution Upgrades, and any required Reliability Network Upgrades necessary to address short circuit issues associated with the Interconnection Facilities. The stability and steady state studies would identify any necessary Delivery Network Upgrades to allow full output of the proposed Large Generating Facility and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Large Generating Facility without the Delivery Network Upgrades. The Distribution Provider may also study the Distribution System under non-peak load conditions. However, upon request by the Interconnection Customer, the Distribution Provider must explain in writing to the Interconnection Customer why the study of nonpeak load conditions is required for reliability purposes.

The Distribution Provider will complete or cause to be completed all Interconnection Studies required within the timelines provided in this LGIP.

Each Interconnection Customer shall pay the actual cost of all Interconnection Studies and any additional studies the Distribution Provider determines to be reasonably necessary in response to the Interconnection Request.

3.2.3 Deliverability Assessment.

3.2.3.1 Distribution System Deliverability. Deliverability from the Point of Interconnection to the point where the Distribution Provider's Distribution System interconnects to the CAISO Grid will be assessed pursuant to an Application for Distribution Service in accordance with Section 15.3 of the Tariff. An Interconnection Customer should, but is not required to, submit an Application for Distribution Service at the same time it seeks Interconnection Service.

3.2.3.2 CAISO Grid Deliverability. If requested by the Interconnection Customer, the CAISO will perform pursuant to Section 6.5.2 of the CAISO GIP an On-Peak Deliverability Assessment and an Off-Peak Deliverability Assessment (as those terms are defined in Appendix A to the CAISO Tariff) which shall determine the Interconnection Customer's Large Generating Facility's ability to deliver its energy to the CAISO Controlled Grid (as defined in Appendix A to the CAISO Tariff) and identify Delivery Network Upgrades required to provide the Generation Facility with Full Capacity Deliverability Status (as these terms are defined in Appendix A to the CAISO Tariff).

The Interconnection Customer shall reimburse the CAISO (or alternatively the Distribution Provider) for the actual cost attributable to the Generating Facility of such Interconnection Customer of the Interconnection Studies (including the Deliverability Assessment that the CAISO performs).

3.2.3.3 Network Upgrades. Unless the Distribution Provider elects to fund the capital for Network Upgrades, they shall be solely funded by the Interconnection Customer pursuant to CAISO GIP Section 12.3.1.

3.2.3.4 Repayment of Amounts Advanced for Network Upgrades. The Interconnection Customer shall be entitled to a repayment for the cost of Network Upgrades in accordance with CAISO GIP Section 12.3.2.

3.3 Valid Interconnection Request.

3.3.1 Initiating an Interconnection Request.

To initiate an Interconnection Request, Interconnection Customer must submit all of the following: (i) a \$10,000 deposit; (ii) a completed application

in the form of Appendix 1; and (iii) demonstration of Site Control or a posting of an additional deposit of \$10,000. Such deposits shall be applied toward any Interconnection Studies pursuant to the Interconnection Request. If Interconnection Customer demonstrates Site Control within the cure period specified in Section 3.3.3 after submitting its Interconnection Request, the additional deposit shall be refundable; otherwise, all such deposit(s), additional and initial, become non-refundable.

The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more than the process window for the regional expansion planning period (or in the absence of a regional planning process, the process window for Distribution Provider's expansion planning period) not to exceed seven years from the date the Interconnection Request is received by Distribution Provider, unless Interconnection Customer demonstrates that engineering, permitting and construction of the new Large Generating Facility or increase in capacity of the existing Generating Facility will take longer than the regional expansion planning period. The In-Service Date may succeed the date the Interconnection Request is received by Distribution Provider by a period up to ten years, or longer where Interconnection Customer and Distribution Provider agree, such agreement not to be unreasonably withheld.

3.3.2 Acknowledgment of Interconnection Request.

Distribution Provider shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgment.

3.3.3 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid request until all items in Section 3.3.1 have been received by Distribution Provider. If an Interconnection Request fails to meet the requirements set forth in Section 3.3.1, Distribution Provider shall notify Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Distribution Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice. Failure by Interconnection Customer to comply with this Section 3.3.3 shall be treated in accordance with Section 3.6.

3.3.4 Scoping Meeting.

Within ten (10) Business Days after receipt of a valid Interconnection Request, Distribution Provider shall establish a date agreeable to Interconnection Customer for the Scoping Meeting, and such date shall be no later than thirty (30) Calendar Days from receipt of the valid Interconnection Request, unless otherwise mutually agreed upon by the Parties.

The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any

transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection. Distribution Provider and Interconnection Customer will bring to the meeting such 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 as may be reasonably required to accomplish the purpose of the meeting. Distribution Provider and 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, Interconnection Customer shall designate its Point of Interconnection, pursuant to Section 6.1, and one or more available alternative Point(s) of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

3.4 Internet Posting.

Distribution Provider will maintain on its website a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected In-Service Date; (v) the status of the Interconnection Request, including Queue Position; and (vi) the availability of any studies related to the Interconnection Request; (vii) the date of the Interconnection Request; (viii) the type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and (ix) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an LGIA or requests that Distribution Provider file an unexecuted LGIA with FERC. Before holding a Scoping Meeting with its Affiliate, Distribution Provider shall post on its website an advance notice of its intent to do so. Distribution Provider shall post to its website any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to Distribution Provider's website subsequent to the meeting between Interconnection Customer and Distribution Provider to discuss the applicable study results. Distribution Provider shall also post any known deviations in the Large Generating Facility's In-Service Date.

3.5 Coordination with Affected Systems.

Distribution Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this LGIP. Distribution Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this LGIP. Interconnection Customer will cooperate with Distribution Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with Distribution Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected

Systems.

3.6 Withdrawal.

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Distribution Provider. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 13.5 (Disputes), 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. Upon receipt of such written notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or action that cures the deficiency or to notify Distribution Provider of its intent to pursue Dispute Resolution.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Interconnection Request is eliminated from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to Distribution Provider all costs that Distribution Provider prudently incurs with respect to that Interconnection Request prior to Distribution Provider's receipt of notice described above. Interconnection Customer must pay all monies due to Distribution Provider before it is allowed to obtain any Interconnection Study data or results. Distribution Provider shall (i) update the Internet Queue Position posting; and (ii) refund to Interconnection Customer any portion of Interconnection Customer's deposit or study payments that exceeds the costs that Distribution Provider has incurred, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. In the event of such withdrawal, Distribution Provider, subject to the confidentiality provisions of Section 13.1, 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.

Section 4. Queue Position.

4.1 General.

Distribution Provider shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request; provided that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and Interconnection Customer provides such information in accordance with Section 3.3.3, then Distribution Provider shall assign Interconnection Customer a Queue Position based on the date the application form was originally filed. Moving a Point of Interconnection shall result in a lowering of Queue Position if it is deemed a Material Modification under Section 4.4.3.

The Queue Position of each Interconnection Request will be used to determine the order of performing the Interconnection Studies and determination of cost responsibility for the facilities necessary to accommodate the Interconnection Request. A higher queued Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is lower

queued.

Distribution Provider may allocate the cost of the common upgrades for clustered Interconnection Requests without regard to Queue Position.

4.2 Clustering.

At Distribution Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the Interconnection System Impact Study.

Clustering shall be implemented on the basis of Queue Position. If Distribution Provider elects to study Interconnection Requests using Clustering, all Interconnection Requests received within a period not to exceed one hundred and eighty (180) Calendar Days, hereinafter referred to as the "Queue Cluster Window" shall be studied together. The deadline for completing all Interconnection System Impact Studies for which an Interconnection System Impact Study Agreement has been executed during a Queue Cluster Window shall be in accordance with Section 7.4, for all Interconnection Requests assigned to the same Queue Cluster Window. Distribution Provider may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility. Clustering Interconnection System Impact Studies shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission expansion plan in light of the Distribution System's and Transmission System's capabilities at the time of each study.

The Queue Cluster Window shall have a fixed time interval based on fixed annual opening and closing dates. Any changes to the established Queue Cluster Window interval and opening or closing dates shall be announced with a posting on Distribution Provider's website beginning at least one hundred and eighty (180) Calendar Days in advance of the change and continuing thereafter through the end date of the first Queue Cluster Window that is to be modified.

4.3 Transferability of Queue Position.

An Interconnection Customer may transfer its Queue Position 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.

4.4 Modifications.

Interconnection Customer shall submit to Distribution Provider, in writing, modifications to any information provided in the Interconnection Request. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, 4.4.2 or 4.4.5, or are determined not to be Material Modifications pursuant to Section 4.4.3. Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or Distribution Provider 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 Distribution Provider 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 and proceed with any re-studies

necessary to do so in accordance with Section 6.4, Section 7.6 and Section 8.5 as applicable and Interconnection Customer shall retain its Queue Position.

- 4.4.1** Prior to the return of the executed Interconnection System Impact Study Agreement to Distribution Provider, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration. For plant increases, the incremental increase in plant output will go to the end of the queue for the purposes of cost allocation and study analysis.
- 4.4.2** Prior to the return of the executed Interconnection Facility Study Agreement to Distribution Provider, the modifications permitted under this Section shall include specifically: (a) additional 15 percent decrease of electrical output (MW); and (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer.
- 4.4.3** Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.5, 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 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 those deemed acceptable under Sections 4.4.1, 6.1, 7.2 or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.
- 4.4.4** Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4, Distribution Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall Distribution Provider commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost.
- 4.4.5** Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing.

Section 5. Procedures for Interconnection Requests Submitted Prior to Effective Date of Standard Large Generator Interconnection Procedures.

5.1 Queue Position for Pending Requests.

- 5.1.1** Any Interconnection Customer assigned a Queue Position prior to the effective date of this LGIP shall retain that Queue Position.

5.1.1.1 If an Interconnection Study Agreement has not been executed as of the effective date of this LGIP, then such Interconnection Study, and any subsequent Interconnection Studies, shall be processed in accordance with this LGIP.

5.1.1.2 If an Interconnection Study Agreement has been executed prior to the effective date of this LGIP, such Interconnection Study shall be completed in accordance with the terms of such agreement. With respect to any remaining studies for which an Interconnection Customer has not signed an Interconnection Study Agreement prior to the effective date of the LGIP, Distribution Provider must offer Interconnection Customer the option of either continuing under Distribution Provider's existing interconnection study process or going forward with the completion of the necessary Interconnection Studies (for which it does not have a signed Interconnection Studies Agreement) in accordance with this LGIP.

5.1.1.3 If an LGIA has been submitted to FERC for approval before the effective date of the LGIP, then the LGIA would be grandfathered.

5.1.2 Transition Period.

To the extent necessary, Distribution Provider and Interconnection Customers with an outstanding request (i.e., an Interconnection Request for which an LGIA has not been submitted to FERC for approval as of the effective date of this LGIP) shall transition to this LGIP within a reasonable period of time not to exceed sixty (60) Calendar Days. The use of the term "outstanding request" herein shall mean any Interconnection Request, on the effective date of this LGIP: (i) that has been submitted but not yet accepted by Distribution Provider; (ii) where the related interconnection agreement has not yet been submitted to FERC for approval in executed or unexecuted form; (iii) where the relevant Interconnection Study Agreements have not yet been executed; or (iv) where any of the relevant Interconnection Studies are in process but not yet completed. Any Interconnection Customer with an outstanding request as of the effective date of this LGIP may request a reasonable extension of any deadline, otherwise applicable, if necessary to avoid undue hardship or prejudice to its Interconnection Request. A reasonable extension shall be granted by Distribution Provider to the extent consistent with the intent and process provided for under this LGIP.

5.2 New Distribution Provider.

If Distribution Provider transfers control of its Distribution System to a successor Distribution Provider during the period when an Interconnection Request is pending, the original Distribution Provider shall transfer to the successor Distribution Provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to the Interconnection Customer, as appropriate. The original Distribution Provider shall coordinate with the successor Distribution Provider to complete any Interconnection Study, as appropriate, that the original Distribution Provider has begun but has not completed. If Distribution Provider has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not either executed the LGIA or requested the filing

of an unexecuted LGIA with FERC, unless otherwise provided, Interconnection Customer must complete negotiations with the successor Distribution Provider.

Section 6. Interconnection Feasibility Study.

6.1 Interconnection Feasibility Study Agreement.

Simultaneously with the acknowledgement of a valid Interconnection Request Distribution Provider shall provide to Interconnection Customer an Interconnection Feasibility Study Agreement in the form of Appendix 2. The Interconnection Feasibility Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Interconnection Feasibility Study. Within five (5) Business Days following the Scoping Meeting Interconnection Customer shall specify for inclusion in the attachment to the Interconnection Feasibility Study Agreement the Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection. Within five (5) Business Days following Distribution Provider's receipt of such designation, Distribution Provider shall tender to Interconnection Customer the Interconnection Feasibility Study Agreement signed by Distribution Provider, which includes a good faith estimate of the cost for completing the Interconnection Feasibility Study. Interconnection Customer shall execute and deliver to Distribution Provider the Interconnection Feasibility Study Agreement along with a \$10,000 deposit no later than thirty (30) Calendar Days after its receipt. On or before the return of the executed Interconnection Feasibility Study Agreement to Distribution Provider, Interconnection Customer shall provide the technical data called for in Appendix 1, Attachment A. If the Interconnection Feasibility Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by either Interconnection Customer or Distribution Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and Re-studies shall be completed pursuant to Section 6.4 as applicable. For the purpose of this Section 6.1, if Distribution Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.3.4, shall be the substitute.

If Interconnection Customer and Distribution Provider agree to forgo the Interconnection Feasibility Study, Distribution Provider will initiate an Interconnection System Impact Study under Section 7 of this LGIP and apply the \$10,000 deposit towards the Interconnection System Impact Study.

6.2 Scope of Interconnection Feasibility Study.

The Interconnection Feasibility Study shall preliminarily evaluate the feasibility of the proposed interconnection to the Distribution System. The Interconnection Feasibility Study will consider the Base Case as well as all generating facilities (and with respect to (iii), any identified Distribution Upgrades and Network Upgrades) that, on the date the Interconnection Feasibility Study is commenced:

- (i) are directly interconnected to the Distribution

System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection

Request to interconnect to the Distribution System; and (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC. The Interconnection Feasibility Study will consist of a power flow and short circuit analysis. The Interconnection Feasibility Study will provide a list of facilities and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

6.3 Interconnection Feasibility Study Procedures.

Distribution Provider shall utilize existing studies to the extent practicable when it performs the study. Distribution Provider shall use Reasonable Efforts to complete the Interconnection Feasibility Study no later than forty-five (45) Calendar Days after Distribution Provider receives the fully executed Interconnection Feasibility Study Agreement. At the request of Interconnection Customer or at any time Distribution Provider determines that it will not meet the required time frame for completing the Interconnection Feasibility Study, Distribution Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Feasibility Study. If Distribution Provider is unable to complete the Interconnection Feasibility Study within that time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Distribution Provider shall provide Interconnection Customer supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Interconnection Feasibility Study, subject to confidentiality arrangements consistent with Section 13.1.

6.3.1 Meeting with Distribution Provider.

Within ten (10) Business Days of providing an Interconnection Feasibility Study report to Interconnection Customer, Distribution Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Feasibility Study.

6.4 Re-Study.

If Re-Study of the Interconnection Feasibility Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, or re-designation of the Point of Interconnection pursuant to Section 6.1 Distribution Provider shall notify Interconnection Customer in writing. Such Re-Study shall take not longer than forty-five (45) Calendar Days from the date of the notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Section 7. Interconnection System Impact Study.

7.1 Interconnection System Impact Study Agreement.

Unless otherwise agreed, pursuant to the Scoping Meeting provided in Section 3.3.4, simultaneously with the delivery of the Interconnection Feasibility Study to Interconnection Customer, Distribution Provider shall provide to Interconnection Customer an Interconnection System Impact Study Agreement in the form of Appendix 3 to this LGIP. The Interconnection System Impact Study Agreement shall provide that Interconnection Customer shall compensate Distribution Provider for the actual cost of the Interconnection System Impact Study. Within three (3) Business Days following the Interconnection Feasibility Study results meeting, Distribution Provider shall provide to Interconnection Customer a

non-binding good faith estimate of the cost and timeframe for completing the Interconnection System Impact Study.

7.2 Execution of Interconnection System Impact Study Agreement.

Interconnection Customer shall execute the Interconnection System Impact Study Agreement and deliver the executed Interconnection System Impact Study Agreement to Distribution Provider no later than thirty (30) Calendar Days after its receipt along with demonstration of Site Control, and a \$50,000 deposit.

If Interconnection Customer does not provide all such technical data when it delivers the Interconnection System Impact Study Agreement, Distribution Provider shall notify Interconnection Customer of the deficiency within five (5) Business Days of the receipt of the executed Interconnection System Impact Study Agreement and Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Interconnection System Impact Study Agreement or deposit.

If the Interconnection System Impact Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting and the Interconnection Feasibility Study, a substitute Point of Interconnection identified by either Interconnection Customer or Distribution Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and restudies shall be completed pursuant to Section 7.6 as applicable. For the purpose of this Section 7.2, if Distribution Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.3.4, shall be the substitute.

7.3 Scope of Interconnection System Impact Study.

The Interconnection System Impact Study shall evaluate the impact of the proposed interconnection on the reliability of the Distribution System and Transmission System. The Interconnection System Impact Study will consider the Base Case as well as all generating facilities (and with respect to (iii) below, any identified Distribution Upgrades and Network Upgrades associated with such higher queued interconnection) that, on the date the Interconnection System Impact Study is commenced: (i) are directly interconnected to the Distribution System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Distribution System; and (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC.

The Interconnection System Impact Study will consist of a short circuit analysis, a stability analysis, and a power flow analysis. The Interconnection System Impact Study will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements 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. The Interconnection System

Impact Study will provide a list of facilities that are required as a result of the Interconnection Request and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

7.4 Interconnection System Impact Study Procedures.

Distribution Provider shall coordinate the Interconnection System Impact Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.5 above. Distribution Provider shall utilize existing studies to the extent practicable when it performs the study. Distribution Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within ninety (90) Calendar Days after the receipt of the Interconnection System Impact Study Agreement or notification to proceed, study payment, and technical data. If Distribution Provider uses Clustering, Distribution Provider shall use Reasonable Efforts to deliver a completed Interconnection System Impact Study within ninety (90) Calendar Days after the close of the Queue Cluster Window.

At the request of Interconnection Customer or at any time Distribution Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Distribution Provider shall notify Interconnection Customer as to the schedule status of the Interconnection System Impact Study. If Distribution Provider is unable to complete the Interconnection System Impact Study within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Distribution Provider shall provide Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Interconnection System Impact Study, subject to confidentiality arrangements consistent with Section 13.1.

7.5 Meeting with Distribution Provider.

Within ten (10) Business Days of providing an Interconnection System Impact Study report to Interconnection Customer, Distribution Provider and Interconnection Customer shall meet to discuss the results of the Interconnection System Impact Study.

7.6 Re-Study.

If Re-Study of the Interconnection System Impact Study is required due to a higher queued project dropping out of the queue, a modification of a higher queued project subject to Section 4.4, or re-designation of the Point of Interconnection pursuant to Section 7.2 Distribution Provider shall notify Interconnection Customer in writing. Such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Section 8. Interconnection Facilities Study.

8.1 Interconnection Facilities Study Agreement.

Simultaneously with the delivery of the Interconnection System Impact Study to Interconnection Customer, Distribution Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to this LGIP. The Interconnection Facilities Study Agreement shall provide that

Interconnection Customer shall compensate Distribution Provider for the actual cost of the Interconnection Facilities Study. Within three (3) Business Days following the Interconnection System Impact Study results meeting, Distribution Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study. Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to Distribution Provider within thirty (30) Calendar Days after its receipt, together with the required technical data and the greater of \$100,000 or Interconnection Customer's portion of the estimated monthly cost of conducting the Interconnection Facilities Study.

8.1.1 Distribution Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Distribution Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

8.2 Scope of Interconnection Facilities Study.

The Interconnection Facilities Study shall 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 Interconnection Facility to the Distribution System. The Interconnection Facilities 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.

8.3 Interconnection Facilities Study Procedures.

Distribution Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.5 above. Distribution Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. Distribution Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days, with no more than a +/- 20 percent cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if Interconnection Customer requests a +/- 10 percent cost estimate. At the request of Interconnection Customer or at any time Distribution Provider determines that it will not meet the required time frame for completing the Interconnection Facilities Study, Distribution Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If Distribution Provider is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study report within the time required, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer may, within thirty (30) Calendar Days after receipt of the

draft report, provide written comments to Distribution Provider, which Distribution Provider shall include in the final report. Distribution Provider shall issue the final Interconnection Facilities Study report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Distribution Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Distribution Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Distribution Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1. If Network Upgrades are required, or have been elected by the Interconnection Customer, to interconnect the Large Generating Facility to the Distribution System, the Distribution Provider may provide a copy of the Interconnection Facilities Study and supporting data to the CAISO for informational purposes.

8.4 Meeting with Distribution Provider.

Within ten (10) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Distribution Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study. Within ten (10) Business Days of this meeting the Interconnection Customer shall make the election of which Delivery Network Upgrades identified in the Interconnection Facilities Study are to be installed. Any operating constraints on the Interconnection Customer's Generating Facility arising out of the Interconnection Customer's election not to install the Delivery Network Upgrades shall be as set forth in Article 9 and Appendix C of the LGIA.

8.5 Re-Study.

If Re-Study of the Interconnection Facilities Study is required due to a higher queued project dropping out of the queue or a modification of a higher queued project pursuant to Section 4.4, Distribution Provider shall so notify Interconnection Customer in writing. Such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Section 9. Engineering & Procurement ("E&P") Agreement.

Prior to executing an LGIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and 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 LGIP. The E&P Agreement is an optional procedure and it will not alter the Interconnection Customer's Queue Position or In-Service Date. 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 10. Optional Interconnection Study.

10.1 Optional Interconnection Study Agreement.

On or after the date when Interconnection Customer receives Interconnection System Impact Study results, Interconnection Customer may request, and Distribution Provider shall perform a reasonable number of Optional Studies. The request shall describe the assumptions that Interconnection Customer wishes Distribution Provider to study within the scope described in Section 10.2. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, Distribution Provider shall provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 5.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study; (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case and assumptions as to the type of interconnection service for Interconnection Requests remaining in the Optional Interconnection Study case; and (iii) Distribution Provider's estimate of the cost of the Optional Interconnection Study. To the extent known by Distribution Provider, such estimate shall include any costs expected to be incurred by any Affected System whose participation is necessary to complete the Optional Interconnection Study. Notwithstanding the above, Distribution Provider shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request. Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the technical data and a \$10,000 deposit to Distribution Provider.

10.2 Scope of Optional Interconnection Study.

The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades, and the estimated cost thereof, that may be required

to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study. The Optional Interconnection Study shall be performed solely for informational purposes. Distribution Provider shall use Reasonable Efforts to coordinate the study with any Affected Systems that may be affected by the types of Interconnection Services that are being studied. Distribution Provider shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

10.3 Optional Interconnection Study Procedures.

The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to Distribution Provider within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study Agreement. Distribution Provider shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed upon time period specified within the Optional Interconnection Study Agreement. If Distribution Provider is unable to complete the Optional Interconnection Study within such time period, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. Any difference between the study payment and the actual cost of the study shall be paid to Distribution Provider or refunded to Interconnection Customer, as appropriate. Upon request, Distribution Provider shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1.

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

11.1 Tender.

Interconnection Customer shall tender comments on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Within thirty (30) Calendar Days after the comments are submitted, Distribution Provider shall tender a draft LGIA, together with draft appendices completed to the extent practicable. The draft LGIA shall be in the form of Distribution Provider's FERC-approved standard form LGIA, which is Attachment G to the Tariff. Interconnection Customer shall execute and return the completed draft appendices within thirty (30) Calendar Days.

11.2 Negotiation.

Notwithstanding Section 11.1, at the request of Interconnection Customer Distribution Provider shall begin negotiations with Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. Distribution Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study Report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to Section 11.1 and request submission of the unexecuted LGIA with FERC or initiate Dispute Resolution procedures pursuant to Section 13.5. If Interconnection Customer requests termination of the negotiations, but within sixty

(60) Calendar Days thereafter fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the LGIA, requested filing of an unexecuted LGIA, or initiated Dispute Resolution procedures pursuant to Section 13.5 within sixty (60) Calendar Days of tender of draft LGIA, it shall be deemed to have withdrawn its Interconnection Request. Distribution Provider shall provide to Interconnection Customer a final LGIA within fifteen (15) Business Days after the completion of the negotiation process.

11.3 Execution and Filing.

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Distribution Provider (A) reasonable evidence that continued Site Control or (B) posting of \$250,000, non-refundable additional security, which shall be applied toward future construction costs. At the same time, Interconnection Customer also shall provide reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, at Interconnection Customer election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract for the sale of electric energy or capacity from the Large Generating Facility; or (v) application for an air, water, or land use permit. Interconnection Customer shall either: (i) execute two originals of the tendered LGIA and return them to Distribution Provider; or (ii) request in writing that Distribution Provider file with FERC an LGIA 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 LGIA (if it does not conform with a FERC approved standard form of interconnection agreement) or the request to file an unexecuted LGIA, Distribution Provider shall file the LGIA 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 LGIA. An unexecuted LGIA 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 LGIA, they may proceed pending FERC action.

11.4 Commencement of Interconnection Activities.

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

11.5 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 Standard Large Generator Interconnection Procedures and the terms of the Distribution Provider's Interconnection Handbook, the terms in the Standard Large Generator Interconnection Procedures shall govern.

Section 12. Construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades.

12.1 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.

12.2 Construction Sequencing.

12.2.1 General.

In general, the In-Service Date of an Interconnection Customers seeking interconnection to the Distribution System will determine the sequence of construction of Distribution Upgrades and Network Upgrades.

12.2.2. Advance Construction of Distribution Upgrades and Network Upgrades that are an Obligation of an Entity other than Interconnection Customer.

An Interconnection Customer with an LGIA, 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) were assumed in the Interconnection Studies for such Interconnection Customer; (ii) are necessary to support such In-Service Date; and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Distribution System, 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: (i) any associated expediting costs; and (ii) the cost of such Distribution Upgrades and Network Upgrades. Distribution Provider will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 11.4 of the LGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that Distribution Provider has not refunded to Interconnection Customer. Payment by that entity shall be due on the date that it would have been due had there been no request for advance construction. Distribution Provider shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. Distribution Provider then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 11.4 of the LGIA.

12.2.3 Advancing Construction of Distribution Upgrades and Network

Upgrades that are Part of an Expansion Plan of the Distribution Provider.

An Interconnection Customer with an LGIA, 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, 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 CAISO LGIP and the LGIA, for any expediting costs paid.

12.2.4 Amended Interconnection Study.

An Interconnection Study will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date.

Section 13. Miscellaneous.

13.1 Confidentiality.

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an LGIA. Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

13.1.1 Scope.

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

Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

13.1.2 Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 13.1.

13.1.3 Rights.

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

13.1.4 No Warranties.

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5 Standard of Care.

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

13.1.6 Order of Disclosure.

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

Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

13.1.7 Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

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

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

13.1.9 Subject to the exception in Section 13.1.8, any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be

unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or CAISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

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

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

13.2 Delegation of Responsibility.

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

13.3 Obligation for Study Costs.

Distribution Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies. Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning of any such future Interconnection Studies. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customer shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefore. Distribution Provider shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith.

13.4 Third Parties Conducting Studies.

If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study; (ii) Interconnection Customer receives notice pursuant to Sections 6.3, 7.4 or 8.3 that Distribution Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study; or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections

6.3, 7.4 or 8.3 within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require Distribution Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Distribution Provider to perform such Interconnection Study under the direction of Distribution Provider. At other times, Distribution Provider may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the LGIA (Subcontractors) and limited to situations where Distribution Provider determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with Distribution Provider's progress on Interconnection Studies for other pending Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Distribution Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. Distribution Provider shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Section 13.1. In any case, such third party contract may be entered into with either Interconnection Customer or Distribution Provider at Distribution Provider's discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the LGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if Distribution Provider were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. Distribution Provider shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes.

13.5.1 Submission.

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

13.6 Local Furnishing Bonds.

13.6.1 Distribution Providers That Own Facilities Financed by Local Furnishing Bonds.

This provision is applicable only to a Distribution Provider that has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local

furnishing bonds"). Notwithstanding any other provision of this LGIA and LGIP, Distribution Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this LGIA and LGIP if the provision of such Distribution Service would jeopardize the tax exempt status of any local furnishing bond(s) used to finance Distribution Provider's facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service.

If Distribution Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request. Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 4.2(ii) of the Distribution Provider's Tariff.

**APPENDIX 1
TO LGIP INTERCONNECTION REQUEST
FOR A LARGE GENERATING FACILITY**

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with Distribution Provider's Distribution System pursuant to a Tariff.
2. This Interconnection Request is for (check one):
 A proposed new Large Generating Facility.
 An increase in the generating capacity or a Material Modification of an existing Generating Facility.
3. Interconnection Customer provides the following information:
 - a. Address or location of the proposed new Large Generating Facility site (to the extent known) or, in the case of an existing Generating Facility, the name and specific location of the existing Generating Facility;
 - b. Maximum summer at _____ degrees C and winter at _____ degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;
 - c. General description of the equipment configuration;
 - d. Commercial Operation Date (Day, Month, and Year);
 - e. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;
 - f. Approximate location of the proposed Point of Interconnection (optional); and
 - g. Interconnection Customer Data (set forth in Attachment A)
4. Applicable deposit amount as specified in the LGIP.
5. Evidence of Site Control as specified in the LGIP (check one)
 Is attached to this Interconnection Request
 Will be provided at a later date in accordance with this LGIP
6. This Interconnection Request shall be submitted to the representative indicated below:

San Diego Gas & Electric Company
Generation Interconnection Project Manager
8316 Century Park Ct. CP52K
San Diego, CA 92123-1582
Telefax Number: (858) 654-1692

7. Representative of Interconnection Customer to contact:

[To be completed by Interconnection Customer]

8. If the Interconnection Customer also requests Distribution Service, additional information and an additional deposit is required in accordance with Section 15.4 of the Tariff.

9. This Interconnection Request is submitted by:

Name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

Interconnection Request

LARGE GENERATING FACILITY DATA

UNIT RATINGS

kVA _____ °F _____ Voltage _____
Power Factor _____
Speed (RPM) _____ Connection (e.g. Wye) _____
Short Circuit Ratio _____ Frequency, Hertz _____
Stator Amperes at Rated kVA _____ Field Volts _____
Max Turbine MW _____ °F _____

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H = _____ kW sec/kVA
Moment-of-Inertia, WR² = _____ lb. ft.²

REACTANCE DATA (PER UNIT-RATED KVA)

DIRECT AXIS QUADRATURE AXIS

Synchronous - saturated X_{dv} _____ X_{qv} _____
Synchronous - unsaturated X_{di} _____ X_{qi} _____
Transient - saturated X'_{dv} _____ X'_{qv} _____
Transient - unsaturated X'_{di} _____ X'_{qi} _____
Subtransient - saturated X''_{dv} _____ X''_{qv} _____
Subtransient - unsaturated X''_{di} _____ X''_{qi} _____
Negative Sequence - saturated X_{2v} _____
Negative Sequence - unsaturated X_{2i} _____
Zero Sequence - saturated X_{0v} _____
Zero Sequence - unsaturated X_{0i} _____
Leakage Reactance X_{lm} _____

FIELD TIME CONSTANT DATA (SEC)

Open Circuit T'_{do} _____ T'_{qo} _____
Three-Phase Short Circuit Transient T'_{d3} _____ T'_{q} _____
Line to Line Short Circuit Transient T'_{d2} _____
Line to Neutral Short Circuit Transient T'_{d1} _____
Short Circuit Subtransient T''_{d} _____ T''_{q} _____
Open Circuit Subtransient T''_{do} _____ T''_{qo} _____

ARMATURE TIME CONSTANT DATA (SEC)

Three Phase Short Circuit T_{a3} _____
Line to Line Short Circuit T_{a2} _____
Line to Neutral Short Circuit T_{a1} _____

NOTE: If requested information is not applicable, indicate by marking "N / A."

**MW CAPABILITY AND PLANT CONFIGURATION
LARGE GENERATING FACILITY DATA**

ARMATURE WINDING RESISTANCE DATA (PER UNIT)

Positive R1 _____

Negative R2 _____

Zero R0 _____

Rotor Short Time Thermal Capacity I²t = _____

Field Current at Rated kVA, Armature Voltage and PF = _____ amps

Field Current at Rated kVA and Armature Voltage, 0 PF = _____ amps

Three Phase Armature Winding Capacitance = _____ microfarad

Field Winding Resistance = _____ ohms _____ °C

Armature Winding Resistance (Per Phase) = _____ ohms _____ °C

CURVES

Provide Saturation, Vee, Reactive Capability, Capacity Temperature Correction curves.
Designate normal and emergency Hydrogen Pressure operating range for multiple curves.

GENERATOR STEP-UP TRANSFORMER DATA

RATINGS

Capacity Self-cooled/maximum nameplate

_____ / _____ kVA

Voltage Ratio Generator side/System side

_____ / _____ kV

Winding Connections Low V/High V (Delta or Wye)

_____ / _____

Fixed Taps Available _____

Present Tap Setting _____

IMPEDANCE

Positive Z1 (on self-cooled kVA rating) _____ % _____ X/R

Zero Z0 (on self-cooled kVA rating) _____ % _____ X/R

EXCITATION SYSTEM DATA

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer (PSS) for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

GOVERNOR SYSTEM DATA

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

WIND GENERATORS

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

Elevation: _____ Single Phase _____ Three Phase

Inverter manufacturer, model name, number, and version:

List of adjustable setpoints for the protective equipment or software:

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models 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.

INDUCTION GENERATORS:

- (*) Field Volts: _____
- (*) Field Amperes: _____
- (*) Motoring Power (kW): _____
- (*) Neutral Grounding Resistor (If Applicable): _____
- I^2t or K (Heating Time Constant): _____
- (*) Rotor Resistance: _____
- (*) Stator Resistance: _____
- (*) Stator Reactance: _____
- (*) Rotor Reactance: _____
- (*) Magnetizing Reactance: _____
- (*) Short Circuit Reactance: _____
- (*) Exciting Current: _____
- (*) Temperature Rise: _____
- (*) Frame Size: _____
- (*) Design Letter: _____
- (*) Reactive Power Required In Vars (No Load): _____
- (*) Reactive Power Required In Vars (Full Load): _____
- (*) Total Rotating Inertia, H: _____ Per Unit on KVA Base

Note: Please consult Distribution Provider prior to submitting the Interconnection Request to determine if the information designated by (*) is required.

**APPENDIX 2 TO LGIP
INTERCONNECTION FEASIBILITY 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 _____ 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 Large 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 Large Generating Facility with the Distribution System; and

WHEREAS, Interconnection Customer has requested Distribution Provider to perform an Interconnection Feasibility Study to assess the feasibility of interconnecting the proposed Large Generating Facility to the 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 in Distribution Provider's FERC approved LGIP.
- 2.0 Interconnection Customer elects and Distribution Provider shall cause to be performed an Interconnection Feasibility Study consistent with Section 6.0 of this LGIP in accordance with the Tariff.
- 3.0 The scope of the Interconnection Feasibility Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Interconnection Feasibility Study shall be based on the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting. 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 Feasibility Study and as designated in accordance with Section 3.3.4 of the LGIP. If, after the designation of the Point of Interconnection pursuant to Section 3.3.4 of the LGIP, Interconnection Customer modifies its Interconnection Request pursuant to Section 4.4, the time to complete the Interconnection Feasibility Study may be extended.
- 5.0 The Interconnection Feasibility Study report shall provide the following information:
 - preliminary identification of any circuit breaker short circuit capability limits

exceeded as a result of the interconnection;

- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection;
- preliminary description and non-bonding estimated cost of facilities required to interconnect the Large Generating Facility to the Distribution System and to address the identified short circuit and power flow issues; and
- preliminary identification of financial impacts, if any, on Local Furnishing Bonds.

6.0 Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Interconnection Feasibility Study.

Upon receipt of the Interconnection Feasibility Study Distribution Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Feasibility Study.

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

7.0 Miscellaneous.

7.1 Dispute Resolution.

7.1.1 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 LGIP.

7.1.2 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 7.4, the terms of this Section 7.4 shall prevail.

7.1.3 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.

7.1.4 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.

7.2 Confidentiality. Confidential Information shall be treated in accordance with Section 13.1 of the LGIP.

7.3 Binding Effect. This Interconnection Feasibility Study Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

7.4 Conflicts. In the event of a conflict between the body of this Interconnection Feasibility Study Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Interconnection Feasibility Study Agreement shall prevail and be deemed the final intent of the Parties.

- 7.5 Rules of Interpretation. This Interconnection Feasibility Study Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Interconnection Feasibility Study Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Interconnection Feasibility Study Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any applicable laws and regulations means such applicable laws and regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Interconnection Feasibility Study Agreement or such Appendix to this Interconnection Feasibility Study Agreement, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Interconnection Feasibility Study Agreement as a whole and not to any particular Article or other provision hereof or thereof, (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 7.6 Entire Agreement. This Interconnection Feasibility Study Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Interconnection Feasibility Study Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Interconnection Feasibility Study Agreement.
- 7.7 No Third Party Beneficiaries. This Interconnection Feasibility Study Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 7.8 Waiver. The failure of a Party to this Interconnection Feasibility Study Agreement to insist, on any occasion, upon strict performance of any provision of this Interconnection Feasibility Study Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Interconnection Feasibility Study Agreement shall not be deemed a continuing waiver or a waiver with respect to any

other failure to comply with any other obligation, right, or duty of this Interconnection Feasibility Study Agreement. Termination or default of this Interconnection Feasibility Study Agreement for any reason by the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Distribution Provider. Any waiver of this Interconnection Feasibility Study Agreement shall, if requested, be provided in writing.

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

7.15 Assignment. This Interconnection Feasibility Study Agreement may be assigned by a Party only with the written consent of the other Party; provided that a Party may assign this Interconnection Feasibility Study Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Interconnection Feasibility Study Agreement; and provided further that the Interconnection Customer shall have the right to assign this Interconnection Feasibility Study 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 Interconnection Feasibility Study Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

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

[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By:

Title:

Date:

**ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION FEASIBILITY STUDY**

The Interconnection Feasibility Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on:

_____.

Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Distribution Provider]

**APPENDIX 3 to LGIP
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 _____, ("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 Large 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 Large Generating Facility with the Distribution System; and

WHEREAS, the Transmission Provider has completed an Interconnection Feasibility Study (the "Feasibility Study") and provided the results of said study to the Interconnection Customer (This recital to be omitted if Distribution Transmission Provider does not require the Interconnection Feasibility Study.); and

WHEREAS, Interconnection Customer has requested Distribution Provider to perform an Interconnection System Impact Study to assess the impact of interconnecting the Large Generating Facility to the Distribution System, and of any Affected Systems (This recital to be

omitted if Transmission Provider does not require the Interconnection Feasibility Study);

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 LGIP.

2.0 Interconnection Customer elects and Distribution Provider shall cause to be performed an Interconnection System Impact Study consistent with Section 7.0 of this LGIP in accordance with the Tariff.3.0. The scope of the Interconnection System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study and the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the LGIP. 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 Customer System Impact Study. If 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 The Interconnection System Impact Study report shall provide the following information:

- identification of any equipment short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
- an assessment of the potential magnitude of financial impacts, if any, on Local Furnishing Bonds and a proposed resolution;
- description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Distribution System and to address the identified short circuit, instability, and power flow issues; and
 - if requested by the Interconnection Customer, a Deliverability Assessment on the CAISO Grid pursuant to the CAISO Generator Interconnection Procedures.

6.0 Interconnection Customer shall provide a deposit of \$50,000 for the performance of the Interconnection System Impact Study.

Distribution Provider's good faith estimate for the time of completion of the interconnection System Impact Study is _____ [insert date].

Upon receipt of the Interconnection System Impact Study, Distribution Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study.

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

7.0 Miscellaneous.

7.1 Dispute Resolution.

7.1.1 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 LGIP.

7.1.2 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 7.4, the terms of this Section 7.4 shall prevail.

7.1.3 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.

7.1.4 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.

7.2 Confidentiality. Confidential Information shall be treated in accordance with Section 13.1 of the LGIP.

7.3 Binding Effect. This Interconnection System Impact Study Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

7.4 Conflicts. In the event of a conflict between the body of this Interconnection System Impact Study Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Interconnection System Impact Study Agreement shall prevail and be deemed the final intent of the Parties.

7.5 Rules of Interpretation. This Interconnection System Impact Study Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Interconnection System Impact Study Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Interconnection System Impact Study Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any applicable laws and regulations means such applicable laws and regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if

applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Interconnection System Impact Study Agreement or such Appendix to this Interconnection System Impact Study Agreement, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Interconnection System Impact Study Agreement as a whole and not to any particular Article, Section, or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

- 7.6 Entire Agreement. This Interconnection System Impact Study Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Interconnection System Impact Study Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Interconnection System Impact Study Agreement.
- 7.7 No Third Party Beneficiaries. This Interconnection System Impact Study Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 7.8 Waiver. The failure of a Party to this Interconnection System Impact Study Agreement to insist, on any occasion, upon strict performance of any provision of this Interconnection System Impact Study Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Interconnection System Impact Study Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Interconnection System Impact Study Agreement. Termination or default of this Interconnection System Impact Study Agreement for any reason by the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Distribution Provider. Any waiver of this Interconnection System Impact Study Agreement shall, if requested, be provided in writing.
- 7.9 Headings. The descriptive headings of the various Articles and Sections of this Interconnection System Impact Study Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Interconnection System Impact Study

Agreement.

- 7.10 Multiple Counterparts. This Interconnection System Impact Study Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 7.11 Amendment. The Parties may by mutual agreement amend this Interconnection System Impact Study Agreement by a written instrument duly executed by both of the Parties.
- 7.12 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this Interconnection System Impact Study Agreement by a written instrument duly executed by both of the Parties. Such amendment shall become effective and a part of this Interconnection System Impact Study Agreement upon satisfaction of all applicable laws and regulations.
- 7.13 Reservation of Rights. The Distribution Provider shall each have the right to make a unilateral filing with FERC to modify this Interconnection System Impact Study Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Interconnection System Impact Study Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Interconnection System Impact Study Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.
- 7.14 No Partnership. This Interconnection System Impact Study Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.
- 7.15 Assignment. This Interconnection System Impact Study Agreement may be assigned by a Party only with the written consent of the other Party; provided that a Party may assign this Interconnection System Impact Study Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Interconnection System Impact Study Agreement; and provided further that the Interconnection Customer shall have the right to assign this Interconnection System Impact Study 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 Interconnection System Impact Study Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

IN WITNESS 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 Transmission Provider or Transmission Owner, if applicable]

By: _____

Title: _____

Date: _____

[INSERT NAME OF INTERCONNECTION CUSTOMER]

By: _____

Title: _____

Date: _____

**ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION SYSTEM IMPACT STUDY**

The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study, subject to any modifications in accordance with Section 4.4 of the LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

**APPENDIX 4 to LGIP
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, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated ; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Distribution System;

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

WHEREAS, Interconnection Customer has requested Distribution Provider to perform an Interconnection 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 Large Generating Facility to the Distribution 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 in Distribution Provider's FERC-approved LGIP.

2.0 Interconnection Customer elects and Distribution Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff.

3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost, including, if applicable, the cost of remedial measures that address the financial impacts, if any, on Local Furnishing Bonds, (consistent with Attachment A), schedule for required facilities or for effecting remedial measures that address the financial impacts, if any, on Local Furnishing Bonds within each Participating TO's electric system to interconnect the Large Generating Facility to

the Distribution System and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.

5.0 Interconnection Customer shall provide a deposit of \$100,000 for the performance of the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A. Distribution Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Distribution Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

6.0 Miscellaneous.

6.1 Dispute Resolution.

6.1.1 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 LGIP.

6.1.2 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 6.4, the terms of this Section 6.4 shall prevail.

- 6.1.3 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.
- 6.1.4 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.
- 6.2 Confidentiality. Confidential Information shall be treated in accordance with Section 13.1 of the LGIP.
- 6.3 Binding Effect. This Interconnection Facilities Study Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 6.4 Conflicts. In the event of a conflict between the body of this Interconnection Facilities Study Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Interconnection Facilities Study Agreement shall prevail and be deemed the final intent of the Parties.
- 6.5 Rules of Interpretation. This Interconnection Facilities Study Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Interconnection Facilities Study Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Interconnection Facilities Study Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time

in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any applicable laws and regulations means such applicable laws and regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Interconnection Facilities Study Agreement or such Appendix to this Interconnection Facilities Study Agreement, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this Interconnection Facilities Study Agreement as a whole and not to any particular Article, Section, or other provision hereof or thereof; (7) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

- 6.6 Entire Agreement. This Interconnection Facilities Study Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Interconnection Facilities Study Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party’s compliance with its obligations under this Interconnection Facilities Study Agreement.
- 6.7 No Third Party Beneficiaries. This Interconnection Facilities Study Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 6.8 Waiver. The failure of a Party to this Interconnection Facilities Study Agreement to insist, on any occasion, upon strict performance of any provision of this Interconnection Facilities Study Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Interconnection Facilities Study Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Interconnection Facilities Study Agreement. Termination or default of this Interconnection Facilities Study Agreement for any reason by the Interconnection Customer shall not constitute a waiver of the Interconnection Customer’s legal rights to obtain an interconnection from the Distribution Provider. Any waiver of this Interconnection Facilities Study Agreement shall, if requested, be provided in writing.

- 6.9 Headings. The descriptive headings of the various Articles and Sections of this Interconnection Facilities Study Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Interconnection Facilities Study Agreement.
- 6.10 Multiple Counterparts. This Interconnection Facilities Study Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 6.11 Amendment. The Parties may by mutual agreement amend this Interconnection System Impact Study Agreement by a written instrument duly executed by both of the Parties.
- 6.12 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this Interconnection System Impact Study Agreement by a written instrument duly executed by both of the Parties. Such amendment shall become effective and a part of this Interconnection System Impact Study Agreement upon satisfaction of all applicable laws and regulations.
- 6.13 Reservation of Rights. The Distribution Provider shall have the right to make a unilateral filing with FERC to modify this Interconnection Facilities Study Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Interconnection Facilities Study Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Interconnection Facilities Study Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.
- 6.14 No Partnership. This Interconnection Facilities Study Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.
- 6.15 Assignment. This Interconnection Facilities Study Agreement may be assigned by a Party only with the written consent of the other Party; provided that a Party may assign this Interconnection Facilities Study Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning

Party under this Interconnection Facilities Study Agreement; and provided further that the Interconnection Customer shall have the right to assign this Interconnection Facilities Study 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 Interconnection Facilities Study Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

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

[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By:

Title:

Date:

**Interconnection Facilities
Study Agreement**

**INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE
INTERCONNECTION FACILITIES STUDY**

Distribution Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or
- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

**DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER
WITH THE INTERCONNECTION 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.

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 Large Generating Facility in the Distribution Provider's service area?

____ Yes ____ No Local provider: _____

Please provide proposed schedule dates:

Begin Construction Date: _____

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

Generation Testing Date: _____

Commercial Operation Date: _____

For purposes of the Deliverability Assessment pursuant to Sections 6.5 and 8.3 of the CAISO Generator Interconnection Procedures, the level of CAISO Grid Deliverability. Choose one of the following:

_____ Deliverability with no Network Upgrades

_____ Full Capacity Deliverability Status, as defined in the CAISO Tariff

**APPENDIX 5 to LGIP
OPTIONAL INTERCONNECTION 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, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____;

WHEREAS, Interconnection Customer is proposing to establish an interconnection with the Distribution System; and

WHEREAS, Interconnection Customer has submitted to Distribution Provider and Interconnection Request; and

WHEREAS, on or after the date when Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer has further requested that Distribution Provider prepare an Optional Interconnection Study;

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Distribution Provider's FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Distribution Provider shall cause an Optional Interconnection Study consistent with Section 10.0 of this LGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Optional Interconnection Study shall be performed solely for informational purposes.
- 5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades, and the estimated cost thereof, including, if applicable, the cost of remedial measures that address the financial impacts, if any, on Local Furnishing Bonds, that may be required to provide transmission service or interconnection

service based upon the assumptions specified by Interconnection Customer in Attachment A.

6.0 Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Optional Interconnection Study. Distribution Provider's good faith estimate for the time of completion of the Optional Interconnection Study is _____ [insert date]. Upon receipt of the Optional Interconnection Study, Distribution Provider shall charge and Interconnection Customer shall pay the actual costs of the Optional Study. Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7.0 Miscellaneous.

7.1 Dispute Resolution.

7.1.1 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 LGIP.

7.1.2 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 7.4, the terms of this Section 7.4 shall prevail.

- 7.1.3 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.
- 7.1.4 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.
- 7.2 Confidentiality. Confidential Information shall be treated in accordance with Section 13.1 of the LGIP.
- 7.3 Binding Effect. This Optional Interconnection Study Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 7.4 Conflicts. In the event of a conflict between the body of this Optional Interconnection Study Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Optional Interconnection Study Agreement shall prevail and be deemed the final intent of the Parties.
- 7.5 Rules of Interpretation. This Optional Interconnection Study Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Optional Interconnection Study Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Optional Interconnection Study Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time

in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any applicable laws and regulations means such applicable laws and regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Optional Interconnection Study Agreement or such Appendix to this Optional Interconnection Study Agreement, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this Optional Interconnection Study Agreement as a whole and not to any particular Article, Section, or other provision hereof or thereof; (7) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

- 7.6 Entire Agreement. This Optional Interconnection Study Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Optional Interconnection Study Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party’s compliance with its obligations under this Optional Interconnection Study Agreement.
- 7.7 No Third Party Beneficiaries. This Optional Interconnection Study Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 7.8 Waiver. The failure of a Party to this Optional Interconnection Study Agreement to insist, on any occasion, upon strict performance of any provision of this Optional Interconnection Study Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Optional Interconnection Study Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Optional Interconnection Study Agreement. Termination or default of this Optional Interconnection Study Agreement for any reason by the Interconnection Customer shall not constitute a waiver of the Interconnection Customer’s legal rights to obtain an interconnection from the Distribution Provider. Any waiver of this Optional Interconnection Study Agreement shall, if requested, be provided in writing.

- 7.9 Headings. The descriptive headings of the various Articles and Sections of this Optional Interconnection Study Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Optional Interconnection Study Agreement.
- 7.10 Multiple Counterparts. This Optional Interconnection Study Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 7.11 Amendment. The Parties may by mutual agreement amend this Interconnection System Impact Study Agreement by a written instrument duly executed by both of the Parties.
- 7.12 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this Interconnection System Impact Study Agreement by a written instrument duly executed by both of the Parties. Such amendment shall become effective and a part of this Interconnection System Impact Study Agreement upon satisfaction of all applicable laws and regulations.
- 7.13 Reservation of Rights. The Distribution Provider shall have the right to make a unilateral filing with FERC to modify this Optional Interconnection Study Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Optional Interconnection Study Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Optional Interconnection Study Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.
- 7.14 No Partnership. This Optional Interconnection Study Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.
- 7.15 Assignment. This Optional Interconnection Study Agreement may be assigned by a Party only with the written consent of the other Party; provided that a Party may assign this Optional Interconnection Study Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal

authority and operational ability to satisfy the obligations of the assigning Party under this Optional Interconnection Study Agreement; and provided further that the Interconnection Customer shall have the right to assign this Optional Interconnection Study 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 Optional Interconnection Study Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

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

[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**Optional Interconnection
Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING
THE OPTIONAL INTERCONNECTION STUDY**

[To be completed by Interconnection Customer consistent with Section 10 of the LGIP.]

APPENDIX 6

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APPENDIX 7

Interconnection Procedures for A Wind Generation Plant

Appendix 7 sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by Section 3.3 of this LGIP, may provide to the Distribution Provider a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the Distribution Provider to complete the System Impact Study.

Interconnection Facilities and Stand pursuant to the applicable Generator Interconnection
Facilities Study

e be telemetered to the location(s) designated by the CAISO and by the
Participating TO through use of a dedicated

(i)

Figure excused by reason of any Co-Tenant's failure to agree with respect to any obligation of

ATTACHMENT H

GENERATOR
INTERCONNECTION PROCEDURES (GIP)

Attachment H: Generator Interconnection Procedures (GIP)

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 1.1.4 Prior to submitting its Interconnection Request (Appendix 1 to the GIP), 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 in writing within fifteen (15) Business Days.1

 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 FERC 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

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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. This GIP also cross references to the CAISO Tariff for the processes for interconnecting customers to request Full Capacity Deliverability Status or Partial Capacity Deliverability Status. Please refer to the following sections for applicability of the four (4) processes under this GIP:

- (1) Fast Track Process: Section 2
- (2) Independent Study Process: Section 3
- (3) Cluster Study Process: Section 4
- (4) Under 10 kW Inverter Technology Process: Section 5 and Appendix 6

1.1.2 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 to the GIP or the body of these procedures.

1.1.3 Neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to sixty (60) Business Days after the effective date of these procedures.

1.1.4 Prior to submitting its Interconnection Request (Appendix 1 to the GIP), 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 in writing 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 FERC 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 Generator Interconnection Agreement (GIA) are to the Small Generator Interconnection Agreement (SGIA) unless the proposed interconnection is for a Generating Facility larger than 20 Megawatts (MW), in which case the references to "interconnection agreement" are to the Large Generator Interconnection Agreement (LGIA), or unless the Interconnection Customer is eligible to interconnect under state jurisdiction and elects to opt for a Rule 21 GIA, in which case references to "interconnection agreement" are to the Rule 21 GIA.

1.2 Pre-Application

1.2.1 The Distribution Provider shall designate an employee or office from which information on the application process and on an Affected System can be

obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on the Distribution Provider's internet website. 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.

1.2.2 In addition to the information described in Section 1.2.1, which may be provided in response to an informal request, an Interconnection Customer may submit a formal written request form along with a non-refundable fee of \$300.00 for a pre-application report on a proposed project at a specific site. The Distribution Provider shall provide the pre-application data described in Section 1.2.3 to the Interconnection Customer within twenty (20) Business Days of receipt of the completed request form and payment of the \$300.00 fee. The pre-application report produced by the Distribution Provider is non-binding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the Distribution Provider's system. The written pre-application report request form shall include the information in Sections 1.2.2.1 through 1.2.2.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection.

- 1.2.2.1 Project contact information, including name, address, phone number, and email address.
- 1.2.2.2 Project location (street address with nearby cross streets and town)
- 1.2.2.3 Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.
- 1.2.2.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)
- 1.2.2.5 Size (alternating current kW)
- 1.2.2.6 Single or three phase generator configuration
- 1.2.2.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)
- 1.2.2.8 Is new service requested? Yes or No? If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.

1.2.3. Using the information provided in the pre-application report request form in Section 1.2.2, the Distribution Provider will identify the substation/area bus, bank or circuit likely to

serve the proposed Point of Interconnection. This selection by the Distribution Provider does not necessarily indicate, after application of the screens and/or study, that this would be the circuit the project ultimately connects to. The Interconnection Customer must request additional pre-application reports if information about multiple Points of Interconnection is requested. Subject to Section 1.2.4, the pre-application report will include the following information:

- 1.2.3.1 Total capacity (in MW) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Interconnection.
- 1.2.3.2 Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed Point of Interconnection.
- 1.2.3.3 Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed Point of Interconnection.
- 1.2.3.4 Available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).
- 1.2.3.5 Substation nominal distribution voltage and/or transmission nominal voltage if applicable.
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- 1.2.3.8 Relevant line section(s) actual or estimated peak load and minimum load data, including daytime minimum load as described in Section 2.4.4.1.1 below and absolute minimum load, when available.
- 1.2.3.9 Number and rating of protective devices and number and type (standard, bi-directional) of voltage regulating devices between the proposed Point of Interconnection and the substation/area. Identify whether the substation has a load tap changer.
- 1.2.3.10 Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.
- 1.2.3.11 Limiting conductor ratings from the proposed Point of Interconnection to the distribution substation.

1.2.3.12 Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.

1.2.3.13 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.

1.2.4 The pre-application report need only include existing data. A pre-application report request does not obligate the Distribution Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the Distribution Provider cannot complete all or some of a pre-application report due to lack of available data, the Distribution Provider shall provide the Interconnection Customer with a pre-application report that includes the data that is available. The provision of information on “available capacity” pursuant to section 1.2.3.4 does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the pre-application report may become outdated at the time of the submission of the complete Interconnection Request. Notwithstanding any of the provisions of this section, the Distribution Provider shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

1.3 Interconnection Request

Any Interconnection Customer requesting interconnection to Distribution Provider’s Distribution System must submit a complete and valid Interconnection Request via the Distribution Provider’s application process.

1.3.1 Acknowledgement of 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 in writing of receipt by the Distribution Provider within three (3) Business Days of receiving the Interconnection Request. Distribution Provider shall provide a first written notification to the Interconnection Customer within ten (10) Business Days of the receipt of the Interconnection Request, which notice shall state whether the Interconnection Request is deemed complete and valid.

1.3.1.1 First Notification of Deficiency

If an Interconnection Request fails to meet the requirements, the Distribution Provider shall state in its first written notification the reasons for such failure and that the Interconnection Request does not constitute a valid request.

Interconnection Customer shall provide Distribution Provider the additional requested information needed to constitute a complete and valid

request with ten (10) Business Days from the date of the first written notification that the Interconnection Request is invalid.

1.3.1.2 Second Notification of Deficiency

Distribution Provider shall provide a second written notification to Interconnection Customer within ten (10) Business Days of receipt of the additional requested information, stating whether the Interconnection Request is valid or the reasons for any failure.

1.3.1.3 Extension Request

Upon request, at Distribution Provider's sole discretion, Interconnection Customer may receive one (1) extension of up to twenty (20) Business Days to resolve deficiencies in the Interconnection Request.

1.3.1.4 Failure to Resolve Deficiencies

If Interconnection Customer does not resolve deficiencies in the Interconnection Request within the time frames set out above, Distribution Provider will deem the Interconnection Request withdrawn, subject to Section 1.10 below. Interconnection Customer may submit a new Interconnection Request including applicable fees. Interconnection Customers with invalid Interconnection Requests under this Section may seek relief under the Dispute Resolution provisions set forth in Section 6.2 below, by notifying Distribution Provider within two (2) Business Days of receipt of the first or second written notification that the Interconnection Request is incomplete and/or invalid.

1.3.2 Assignment of Queue Position

If there were no deficiencies in the Interconnection Request, the Queue Position will be based on the date Distribution Provider received the Interconnection Request. If there were deficiencies in the Interconnection Request, the Queue Position will be based on the date Distribution Provider determines an Interconnection Request to be complete and valid. Should Distribution Provider not meet any deadline for providing the first or second written notification to Interconnection Customer regarding the Interconnection Request, Interconnection Customer's Queue Position shall be set on the final day of the period in which Distribution Provider was obligated to provide such written notification; provided, however, that Interconnection Customer meets deadlines as set out above to submit any additional information required by Interconnection Request following such written notification, and that Distribution Provider determines that the Interconnection Request is valid. 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, subject to Section 1.10 below, 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;

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; or

1.5.4 For Interconnection Requests in a Cluster Study Process, a posting of a Site Exclusivity Deposit of \$100,000.00 for a Small Generating Facility.

1.6 Interconnection Service

1.6.1 Interconnection Service allows Interconnection Customer to connect the Generating Facility to the Distribution System and be eligible to deliver the Generating Facility's output using the capacity of the Distribution System to the CAISO Grid. Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or delivery point.

1.6.2 No Applicability to Transmission Service or Distribution Service.

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

1.6.3 Roles and Responsibilities.

1.6.3.1 Each Interconnection Request will be subject to the direction and oversight of the Distribution Provider. The Distribution Provider will conduct or cause to be performed the required Interconnection Studies and any additional studies the Distribution Provider determines to be reasonably necessary. If applicable, the CAISO, pursuant to the terms and conditions of the interconnection procedures of the CAISO Tariff for Queue Clusters subsequent to Queue Cluster 7, may perform portions of the Interconnection Studies and Deliverability Assessments related to the analysis of impacts on, and upgrades required to, the

CAISO Grid. The Distribution Provider will perform all required studies related to the Distribution System and will coordinate with Affected System Operators.

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

1.6.3.3 Delegation of Responsibility.

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

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

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

1.6.3.4.2 The Distribution Provider shall issue invoices for Interconnection Studies that shall include a detailed and itemized accounting of the cost of each Interconnection Study. Whenever the actual cost of performing the Interconnection Studies exceeds the Interconnection Study Deposit, the Interconnection Customer shall pay the undisputed difference in accordance with the Distribution Provider issued invoice within thirty (30) Calendar Days.

The Distribution Provider shall not be obligated to

continue to have any studies conducted unless the Interconnection Customer has paid all undisputed amounts in compliance herewith.

1.7 Inverter Functions that Distribution Provider May Require

The Distribution Provider may require inverter-based equipment to provide grid support functions. These advanced inverter functions will generally be categorized as autonomous or remote communication. Functional requirements, as determined by the Distribution Provider, shall include, but are not limited to: real-time voltage regulation; limiting or disconnecting power output; voltage regulation within prescribed limits for both normal and sudden changes in voltage; and low voltage and frequency disturbance ride through. The operational range of individual functions within each category shall meet or exceed the operational range as established by the Distribution Provider utilizing Reasonable Efforts based on Good Utility Practice.

1.8 Base Case Data

Distribution Provider shall provide base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list upon request subject to confidentiality provisions in Section 6.5 of this GIP. Distribution Provider is permitted to require that Interconnection Customer sign a confidentiality agreement before the release of commercially sensitive information or critical energy infrastructure information in the Base Case data.

Such Base Cases shall include all generation projects and transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

1.9 Transferability of Interconnection Request

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

1.10 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 CAISO 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 in writing of its intent to pursue Dispute Resolution under Section 6.2 of the GIP.

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 Section 6.2 of the GIP, 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 of Section 6.5 of the GIP, and Sections 3.2.2 or 4.2.1.1 of the GIP, as applicable, shall provide, at Interconnection Customer's request, all information that Distribution Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

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's capacity does not exceed the size limits identified in the table below. Generating Facilities below these limits are eligible for Fast Track review. However, Fast Track eligibility is distinct from the Fast Track Process itself, and eligibility does not imply or indicate that a Generating Facility will pass the Fast Track screens in Section 2.5.1 below or the Supplemental Review screens in Section 2.7.4 below.

Fast Track eligibility is determined based upon the generator type, the size of the generator, voltage of the line and the location of and the type of line at the Point of Interconnection. All Generating Facilities connecting to lines greater than 69 kilovolt (kV) are ineligible for the Fast Track Process regardless of size. All synchronous and induction machines must be no larger than 2 MW to be eligible for the Fast Track Process, regardless of location. For certified inverter-based systems, the size limit varies according to the voltage of the line at the proposed Point of Interconnection. Certified inverter-based Generating Facilities located within 2.5 electrical circuit miles of a substation and on a mainline (as defined in the table below) are eligible for the Fast Track Process under the higher thresholds according to the table below. In addition to the size threshold, the Interconnection Customer's proposed Generating Facility must meet the codes, standards, and certification requirements of Appendices 2 and 3 of these procedures, or the Distribution Provider has to have reviewed the design or tested the proposed Generating Facility and is satisfied that it is safe to operate.

Fast Track Eligibility for Inverter-Based Systems		
Line Voltage	Fast Track Eligibility Regardless of Location	Fast Track Eligibility on a Mainline [1] and ≤ 2.5 Electrical Circuit Miles from Substation [2]
< 5 kV	≤ 500 kW	≤ 500 kW
≥ 5 kV and < 15 kV	≤ 2 MW	≤ 3 MW
≥ 15 kV and < 30 kV	≤ 3 MW	≤ 4 MW
≥ 30 kV and ≤ 69 kV	≤ 4 MW	≤ 5 MW

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

[2] An Interconnection Customer can determine this information about its proposed interconnection location in advance by requesting a pre-application report pursuant to Section 1.2.

2.2 Timing for Submitting Interconnection Requests

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

2.3 Interconnection Request

The Interconnection Customer shall submit its Interconnection Request to the Distribution Provider. A non-refundable processing fee of \$500.00 and a non-refundable study deposit of \$1,000.00 are also required with each Interconnection Request. The fee payment must be submitted separately from the Interconnection Request. Distribution Provider will send an invoice to the Interconnection Customer after receipt of the Interconnection Request. Interconnection Customers requesting interconnection under the Fast Track Process may only select Energy-Only Deliverability Status.

2.4 Site Exclusivity

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

2.5 Initial Review

Upon receipt of a complete and valid Interconnection Request pursuant to Section 1.3 above, Distribution Provider shall perform an Initial Review using the process set forth in Section 2.5.1 below. The Initial Review will determine if: (i) the Generating Facility qualifies for Fast Track Interconnection through Initial Review, or (ii) the Generating Facility requires a Supplemental Review (consistent with Section 2.7 below). Absent extraordinary circumstances, Distribution Provider shall notify Interconnection Customer in writing of the results of Initial Review within fifteen (15) Business Days following

validation of an Interconnection Request.

The Interconnection Customer shall be responsible for the Distribution Provider's actual costs for conducting the Initial Review. The Interconnection Request fee will be applied toward the costs for conducting the Initial Review. The Interconnection Customer must pay any review costs that exceed the Interconnection Request fee within thirty (30) Calendar 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 thirty (30) Calendar Days of the invoice with interest.

No changes may be made to the planned Point of Interconnection or Generating Facility size included in the Interconnection Request during the Initial Review Process, unless such changes are agreed to by Distribution Provider. Where agreement has not been reached, Interconnection Customers choosing to change the Point of Interconnection or Generating Facility size must reapply and submit a new Interconnection Request.

2.5.1 Screens.

2.5.1.1 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.

2.5.1.2 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 percent (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.

2.5.1.3 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 percent (5%) of a spot network's maximum load or 50 kW. For purposes of this Section 2.5.1.3, a spot network is a type of distribution system found within modern commercial buildings to provide high reliability of service to a single customer (Standard Handbook for Electrical Engineers, 11th edition, Donald Fink, McGraw Hill Book Company or any successor handbook).

2.5.1.4 The proposed Generating Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than ten percent (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.

- 2.5.1.5 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 eighty-seven and a half percent (87.5%) of the short circuit interrupting capability; nor shall the interconnection proposed for a circuit that already exceeds eighty-seven and a half percent (87.5%) of the short circuit interrupting capability be allowed.
- 2.5.1.6 The table below, will 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 Distribution System to a loss of ground during the operating time of any anti-islanding function.

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

- 2.5.1.7 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 the service transformer or secondary conductor rating.
- 2.5.1.8 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 twenty percent (20%) of the nameplate rating of the service transformer.
- 2.5.1.9 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 distribution busses from the point of interconnection).
- 2.5.1.10 No construction by the Distribution Provider of Distribution

Upgrades on the Distribution System other than those upgrades solely attributable to the Generating Facility shall be required to accommodate the Generating Facility.

2.5.2 Passes Screens.

If the proposed interconnection passes the screens, the Interconnection Request shall be approved and the Distribution Provider will provide the Interconnection Customer an executable GIA within fifteen (15) Business Days after the determination.

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

2.5.3 Fails Screens.

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 GIA within fifteen (15) Business Days after the determination.

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

2.5.4 Fails Screens; Minor Modifications or Further Study.

If the proposed interconnection fails the screens, and the Distribution Provider does

not or cannot determine from the Initial Review that the Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless the Interconnection Customer is willing to consider minor modifications or further study, the Distribution Provider shall provide the Interconnection Customer with the opportunity to attend a Customer Options Meeting as set forth in Section 2.6 below.

2.6 Customer Options Meeting

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

2.6.1 Offer to Perform Facility Modifications or Minor Modifications.

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. If the Interconnection Customer agrees to pay for the modification to the Distribution Provider's electric system, the Distribution Provider will provide the Interconnection Customer with an executable interconnection agreement within ten (10) Business Days of the Customer Options Meeting; or

2.6.2 Offer to Perform Supplemental Review.

Offer to perform a Supplemental Review in accordance with Section 2.7 and provide a non-binding good faith estimate of the costs of such review.

2.6.3 Options.

If the proposed interconnection fails the screens due to Section 2.5.1.10 above, 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.

2.6.4 When to Move to Independent Study Process or Cluster Study Process.

If the proposed interconnection fails the screens due to Section 2.5.1.10 above, and Distribution Upgrades or Network Upgrades are required (i.e., only Interconnection Facilities 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.

2.7 Supplemental Review

- 2.7.1 To accept the offer of a Supplemental Review, the Interconnection Customer shall agree in writing and submit a deposit for the estimated costs of the Supplemental Review in the amount of the Distribution Provider's good faith estimate of the costs of such review, both within fifteen (15) Business Days of the offer. If the written agreement and deposit have not been received by the Distribution Provider within that timeframe, the Interconnection Request shall continue to be evaluated under the Independent Study Process unless it is withdrawn by the Interconnection Customer.
- 2.7.2 The Interconnection Customer may specify the order in which the Distribution Provider will complete the screens in Section 2.7.4.
- 2.7.3 The Interconnection Customer shall be responsible for the Distribution Provider's actual costs for conducting the Supplemental Review. The Interconnection Customer must pay any review costs that exceed the deposit within twenty (20) Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the Distribution Provider will return such excess within twenty (20) Business Days of the invoice without interest.
- 2.7.4 Within thirty (30) Business Days following receipt of the deposit for a Supplemental Review, the Distribution Provider shall: (1) perform a Supplemental Review using the screens set forth below; (2) notify in writing the Interconnection Customer of the results; and (3) include with the notification, copies of the analysis and data underlying the Distribution Provider's determinations under the screens. Unless the Interconnection Customer provided instructions for how to respond to the failure of any of the Supplemental Review screens below, at the time the Interconnection Customer accepted the offer of Supplemental Review, the Distribution Provider shall notify the Interconnection Customer following the failure of any of the screens, or if it is unable to perform the screen in Section 2.7.4.1, within two (2) Business Days of making such determination to obtain the Interconnection Customer's permission to: (1) continue evaluating the proposed interconnection under this Section 2.7.4; (2) terminate the Supplemental Review and continue evaluating the Generating Facility under Section 3; or (3) terminate the Supplemental Review upon withdrawal of the Interconnection Request by the Interconnection Customer.

2.7.4.1 Minimum Load Screen.

Where twelve (12) months of line section minimum load data (including onsite load but not station service load served by the proposed Generating Facility) are available, can be calculated, can be estimated from existing data, or determined from a power flow model, the aggregate Generating Facility capacity on the line section is less than 100% of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed Generating Facility. If minimum load data is not available, or cannot be calculated, estimated or determined, the Distribution Provider shall include the reason(s) that it is unable to calculate, estimate or determine minimum load in its Supplemental Review results notification under Section 2.7.4.

- 2.7.4.1.1 The type of generation used by the proposed Generating Facility will be taken into account when calculating, estimating, or determining circuit or line section minimum load relevant for the application of screen 2.7.4.1. Solar photovoltaic (PV) generation systems with no battery storage use daytime minimum load (i.e. 10 a.m. to 4 p.m. for fixed panel systems and 8 a.m. to 6 p.m. for PV systems utilizing tracking systems), while all other generation uses absolute minimum load.
- 2.7.4.1.2 When this screen is being applied to a Generating Facility that serves some station service load, only the net injection into the Distribution Provider's electric system will be considered as part of the aggregate generation.
- 2.7.4.1.3 Distribution Provider will not consider as part of the aggregate generation for purposes of this screen Generating Facility capacity known to be already reflected in the minimum load data.

2.7.4.2 Voltage and Power Quality Screen.

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

2.7.4.3 Safety and Reliability Screen.

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

- 2.7.4.3.1 Whether the line section has significant minimum loading levels dominated by a small number of customers (e.g., several large commercial customers).
 - 2.7.4.3.2 Whether the loading along the line section uniform or even.
 - 2.7.4.3.3 Whether the proposed Generating Facility is located in close proximity to the substation (i.e., less than 2.5 electrical circuit miles), and whether the line section from the substation to the Point of Interconnection is a Mainline rated for normal and emergency ampacity.
 - 2.7.4.3.4 Whether the proposed Generating Facility incorporates a time delay function to prevent reconnection of the generator to the system until system voltage and frequency are within normal limits for a prescribed time.
 - 2.7.4.3.5 Whether operational flexibility is reduced by the proposed Generating Facility, such that transfer of the line section(s) of the Generating Facility to a neighboring distribution circuit/substation may trigger overloads or voltage issues.
 - 2.7.4.3.6 Whether the proposed Generating Facility employs equipment or systems certified by a recognized standards organization to address technical issues such as, but not limited to, islanding, reverse power flow, or voltage quality.
- 2.7.5 If the proposed interconnection passes the supplemental screens in Sections 2.7.4.1, 2.7.4.2, and 2.7.4.3 above, the Interconnection Request shall be approved and the Distribution Provider will provide the Interconnection Customer with an executable interconnection agreement within the timeframes established in Sections 2.7.5.1 and 2.7.5.2 below. If the proposed interconnection fails any of the Supplemental Review screens and the Interconnection Customer does not withdraw its Interconnection

Request, it shall continue to be evaluated under the Section 3 Independent Study Process consistent with Section 2.7.5.3 below.

2.7.5.1 If the proposed interconnection passes the supplemental screens in Sections 2.7.4.1, 2.7.4.2, and 2.7.4.3 above and does not require construction of facilities by the Distribution Provider on its own system, the interconnection agreement shall be provided within ten (10) Business Days after the notification of the Supplemental Review results.

2.7.5.2 If interconnection facilities or minor modifications to the Distribution Provider's system are required for the proposed interconnection to pass the supplemental screens in Sections 2.7.4.1, 2.7.4.2, and 2.7.4.3 above, and the Interconnection Customer agrees to pay for the modifications to the Distribution Provider's electric system, the interconnection agreement, along with a non-binding good faith estimate for the interconnection facilities and/or minor modifications, shall be provided to the Interconnection Customer within fifteen (15) Business Days after receiving written notification of the Supplemental Review results.

2.7.5.3 If the proposed interconnection would require more than interconnection facilities or minor modifications to the Distribution Provider's system to pass the supplemental screens in Sections 2.7.4.1, 2.7.4.2, and 2.7.4.3 above, the Distribution Provider shall notify the Interconnection Customer, at the same time it notifies the Interconnection Customer with the Supplemental Review results, that the Interconnection Request shall be evaluated under the Section 3 Independent Study Process unless the Interconnection Customer withdraws its Interconnection Request.

2.8 Optional Supplemental Review Results Meeting

Within five (5) Business Days of Interconnection Customer's request for a Supplemental Review Results Meeting, Distribution Provider shall contact Interconnection Customer and offer to convene a meeting at a mutually acceptable time to review the Supplemental Review results to determine what modifications, if any, may permit the Generating Facility to be connected safely and reliably without the need to proceed to the Independent Study Process or Cluster Study Process. If modifications that obviate the need to proceed to the Independent Study Process or Cluster Study Process are identified and Interconnection Customer and Distribution Provider agree to such modifications, Distribution Provider shall tender a draft GIA, together with draft appendices, within fifteen (15) Business Days of the Supplemental Review Results Meeting if no Interconnection Facilities or Distribution Upgrades are required. If Interconnection Facilities or Distribution Upgrades are required, Distribution Provider shall provide Interconnection Customer with a non-binding cost estimate of any Interconnection Facilities or Distribution Upgrades within fifteen (15) Business Days of the Supplemental Review Results Meeting. For all Interconnection Requests that pass Supplemental Review, refer to Section 2.9 below, for

completing the GIA. If Interconnection Customer and Distribution Provider are unable to identify or agree to modifications, Interconnection Customer shall notify Distribution Provider within twenty (20) Business Days of the Supplemental Review Results Meeting whether it would like to proceed with Independent Study Process or Cluster Study Process (next window) or withdraw its Interconnection Request. Interconnection Customer may request one (1) extension of no more than twenty (20) Business Days to respond. If Interconnection Customer fails to notify Distribution Provider within twenty (20) Business Days of the Supplemental Review Results Meeting, or at the end of the extension, if one was requested, the Interconnection Request shall be deemed withdrawn. Interconnection Customers that elect to proceed to Independent Study Process or Cluster Study Process shall provide the applicable study deposit set forth in Section 3.2.1 for Independent Study Process and Section 4.2.1 for Cluster Study Process.

2.9 Generator Interconnection Agreement

2.9.1 Tender; Cost Estimate Not Necessary.

If a cost estimate was deemed not necessary pursuant to the above Initial Review and Supplemental Review sections, the Distribution Provider shall tender the draft GIA, together with draft appendices, within fifteen (15) Business Days of the following:

2.9.1.1 Initial Review results if passed, or

2.9.1.2 Initial Review Results Meeting if requested and if modifications that obviate the need for Supplemental Review are identified and Interconnection Customer and Distribution Provider agree to such modifications.

2.9.1.3 Supplemental Review results if passed, or

2.9.1.4 Supplemental Review Results Meeting if requested and if modifications that obviate the need to proceed to the Independent Study Process or Cluster Study Process are identified and Interconnection Customer and Distribution Provider agree to such modifications.

2.9.2 Tender; Cost Estimate Necessary.

If a cost estimate was deemed necessary, following the receipt of a cost estimate for any Distribution Upgrades and/or Interconnection Facilities that have been identified, Interconnection Customer shall notify Distribution Provider within fifteen (15) Business Days whether Interconnection Customer:

2.9.2.1 requests a GIA, or

2.9.2.2 withdraws its Interconnection Request. Interconnection Customer may request one (1) extension of no more than fifteen (15) Business Days to respond. If Interconnection Customer fails to notify

Distribution Provider within fifteen (15) Business Days, or at the end of the extension, if one was requested, the Interconnection Request shall be deemed withdrawn, subject to Section 1.10 of this GIP.

If Interconnection Customer elects to proceed to a GIA, Distribution Provider shall tender a draft GIA, together with draft appendices, within fifteen (15) Business Days of Interconnection Customer's request.

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 proposed Generating Facility passes the Electrical Independence Test 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 Test.

The Distribution Provider will determine whether an Interconnection Request can be eligible for study under the Independent Study Process by performing the Electrical Independence Test. The Electrical Independence Test for Interconnection Requests proposing to interconnect to the Distribution System will consist of two parts: (1) the determination of electrical independence for the CAISO 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 determination of electrical independence for the CAISO 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 Determination of Electrical Independence for the CAISO 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 CAISO, to require or contribute to the need for Network Upgrades, Distribution Provider will perform (or request that the CAISO perform) the incremental power flow, aggregate power flow and short-circuit duty tests as set forth in the interconnection procedures of the CAISO Tariff. If the Interconnection Request does not pass the CAISO Grid incremental power flow, aggregate power flow, and short-circuit duty tests, then it fails the evaluation of electrical independence for the CAISO 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 determination of electrical independence for the CAISO Grid, and will be separately evaluated by Distribution Provider, as set forth in Section 3.1.1.2 below.

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 Fast Track Process, the Independent Study Process, the Cluster Study Process, any predecessor interconnection procedures, or under Rule 21, that have yet to complete their respective studies or reviews. 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 Interconnection Requests. 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 respective studies or reviews, then it fails the evaluation of electrical independence for the Distribution System.

3.1.1.3 Distribution Provider Informs Interconnection Customer

The Distribution Provider will inform an Interconnection Customer whether it has satisfied the requirements set forth in Section 3.1.1 above, within twenty (20) Business Days from deeming the Interconnection Request complete pursuant to Section 1.3 of this GIP. Any Interconnection Request that does not satisfy the criteria set forth in Section 3.1.1 above, shall be deemed withdrawn, subject to Section 1.10 of this GIP, 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 fifteen (15) 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 CAISO test for independence under this GIP Section 3.1.1.1 or the Distribution Provider test for independence under this GIP Section 3.1.1.2, will be required to wait until the next Cluster Application 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 studies or reviews have been completed for the queued ahead Interconnection Requests that were the cause of the Interconnection Request failing this GIP 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:

- 3.2.1.1 a nonrefundable \$800.00 Interconnection Request fee and Interconnection Study Deposit.

For a Generating Facility with a Gross Nameplate Rating of 5 MW or less, Interconnection Customer must submit an Interconnection Study Deposit of \$10,000.00 for the Interconnection System Impact Study, and where an Interconnection Facilities Study is required, an additional \$15,000.00 deposit must be submitted pursuant to Section 3.6.1;

For a Generating Facility with a Gross Nameplate Rating above 5 MW, Interconnection Customer must submit an Interconnection Study Deposit equal to \$50,000.00 plus \$1,000.00 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 MW, up to a maximum of \$250,000.00;

- 3.2.1.2 a completed Interconnection Request in the form of Appendix 1 to the GIP, including requested deliverability status, preferred Point of Interconnection and voltage level, and all other technical data; and
- 3.2.1.3 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.

3.2.2 Use of Interconnection Study Deposit.

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

follows:

- 3.2.2.1 Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under Section 1.10 of this GIP 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, CAISO, 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).
- 3.2.2.2 Should an Interconnection Request made under this GIP Section 3.2.1 be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under Section 1.10 of this GIP 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 Interconnection System Impact Study, the Distribution Provider shall refund to the Interconnection Customer the greater of the difference between the costs the Distribution Provider, CAISO, 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 \$100,000.00, 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).
- 3.2.2.3 Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under Section 1.10 of this GIP 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 Interconnection System Impact Study, the Interconnection Study Deposit shall be nonrefundable.
- 3.2.2.4 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, CAISO, 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 CAISO 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 CAISO and treated in accordance with CAISO 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 pursuant to Section 1.3 above and is deemed to have passed the Electrical Independence Test pursuant to Section 3.1 of this GIP, 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 an Interconnection System Impact Study, or proceed directly to an Interconnection Facilities Study, or a GIA. 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 no later than fifteen (15) Business Days after the Scoping Meeting, an Interconnection System Impact Study agreement (Appendix 7 to this GIP) including an outline of the scope of 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 otherwise, Distribution Provider shall use the information provided in the Interconnection Request. 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, an Interconnection System Impact Study agreement (Appendix 7 to this GIP) including an outline of the scope of the study. In order to remain in consideration for interconnection, an Interconnection Customer must return the executed Interconnection System Impact Study agreement (Appendix 7 to this GIP) 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 time frame.

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 4.5 of this GIP, or as part of the Additional Deliverability Assessment Options as set forth in Section 4.7 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, an Interconnection System Impact Study must be performed. The Distribution Provider shall send the Interconnection Customer an

Interconnection System Impact Study agreement pursuant to Section 3.3 above.

3.5.3 In order to remain under consideration for interconnection, the Interconnection Customer must return executed Interconnection System Impact Process Study agreement pursuant to Section 3.3.3 above.

3.5.4 The scope of and cost responsibilities for an Interconnection System Impact Study are described in the Interconnection System Impact Study agreement (Appendix 7 to this GIP).

3.5.5 Where Transmission Systems and Distribution Systems have separate owners, as is the case with

transmission-dependent utilities (“TDUs”), whether investor-owned or not, the Interconnection Customer may apply to the nearest transmission provider (e.g., 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 CAISO, if applicable, and the Interconnection Customer to discuss the results of the Interconnection System Impact Study, including assigned cost responsibility. Within five (5) Business Days of such request, Distribution Provider shall contact Interconnection Customer to establish a date agreeable to Interconnection Customer, Distribution Provider and the CAISO, if applicable, for the Results Meeting. Within fifteen (15) Business Days of the transmittal of the Interconnection System Impact Study report or, if applicable the Interconnection System Impact Study Results Meeting, the Distribution Provider will provide to the Interconnection Customer a pro forma Interconnection Facilities Study Agreement in the form set forth in Appendix 8 of this GIP and an invoice to perform the Interconnection Facilities Study for Generating Facilities with gross nameplate rating of 5 MW or less. 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 time frame.

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 Section 3.11 of this GIP, within sixty (60) Calendar Days after being provided with the final Interconnection System Impact Study report, or its

Interconnection Request shall be deemed withdrawn, subject to Section 1.10 of this GIP. 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 below.

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 CAISO, 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 CAISO, 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 CAISO, 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.

If the proposed modification is determined to be a Material Modification, the Interconnection Customer may either withdraw the proposed modification or proceed with a new Interconnection Request for such modification. Interconnection Customer shall make such determination within ten (10) Business Days after being provided the Material Modification determination results.

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 CAISO 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 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 submit the Interconnection Facilities Study deposit and 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 a GIA pursuant to Section 6.8 below, 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(ies).

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, Appendix 8 of this GIP.

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

3.6.6 If requested by the Interconnection Customer, a Results Meeting shall be held among Distribution Provider, the CAISO, if applicable, and Interconnection Customer to discuss the results of the Interconnection Facilities Study, including assigned cost responsibility. Within five (5) Business Days of the request, Distribution Provider shall contact Interconnection Customer to establish a date agreeable to Interconnection Customer, Distribution Provider and the CAISO, if applicable, for the Results Meeting.

3.6.7 Within thirty (30) Calendar Days after Distribution Provider provides the final Interconnection Facilities Study report to Interconnection Customer, or within thirty (30) Calendar Days of an Interconnection Facilities Study Results Meeting if requested, Distribution Provider shall tender a draft GIA, together with draft appendices. Refer to Section 6.8 below for time frames for completing the GIA.

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 will be agreed upon in the executed GIA. Reasonable Commercial Operation Dates will be discussed at the Interconnection Facilities Study Results Meeting or the System Impact Study Results Meeting if the Interconnection Facilities Study is waived. Interconnection Requests under the Independent Study Process will not be granted extensions except in circumstances beyond the control of Interconnection Customer. This provision has no impact on any power purchase agreement terms.

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 the interconnection procedures of the CAISO Tariff.

3.11 Interconnection Financial Security for Generating Facilities

The Interconnection Customer must post Interconnection Financial Security pursuant to this Section 3.11 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:

3.11.1.1 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;

3.11.1.2 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;

- 3.11.1.3 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.

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 Section 3.11.1, the Interconnection Customer shall provide to the Distribution Provider replacement Interconnection Financial Security that meets the requirements of this 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 Section 3.11.1.3 above 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 the Distribution Provider with written notice that it has posted the required Interconnection Financial Security no later than the applicable final day for posting.

3.11.2.1 Timing of Initial Postings of Interconnection Financial Security

The initial postings set forth in this Section 3.11.2 shall be made on or before sixty (60) 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

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:

- 3.11.2.2.1 Fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final

Interconnection System Impact Study for Network Upgrades; or

3.11.2.2.2 \$20,000.00 per MW of electrical output of the Generating Facility or the amount of MW 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:

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

3.11.2.3.2 \$20,000.00 per MW of electrical output of the Large Generating Facility or the amount of MW 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

3.11.2.3.3 \$7,500,000.00.

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:

3.11.2.4.1 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

3.11.2.4.2 \$20,000.00 per MW of electrical output of the Generating Facility or the amount of MW increase in the generating capacity of each existing Generation Facility as listed by the Interconnection Customer in its Interconnection Request.

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

3.11.3.1 Timing of Second Postings of Interconnection Financial Security.

The postings in this 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:

3.11.3.2.1 \$1 million; or

3.11.3.2.2 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.

3.11.3.3 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:

3.11.3.3.1 \$15 million; or

3.11.3.3.2 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 Interconnection 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 Section 3.11.4 below rather than this 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 above as follows:

3.11.4.1 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.

3.11.4.2 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.

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.

3.11.5 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, subject to Section 1.10 of the GIP. 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 Section 8.3 below 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.

Notwithstanding the foregoing in this Section 3.11.6, if Interconnection Customer withdraws for the reasons specified in Section 3.11.6.1 below, the Interconnection Customer may receive partial recovery of its Interconnection Financial Security, as set forth in Section 3.11.6.2 below.

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

3.11.6.1.1 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.

3.11.6.1.2 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.

3.11.6.1.3 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 \$300,000.00, whichever is greater, in the estimated cost of Distribution Provider's Interconnection Facilities; or (b) more than 30% or \$300,000.00, 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 3.11.6.1.3 shall not apply if the cause of the cost increase under Sections 3.11.6.1.1 or 3.11.6.1.2 above is the result of a change requested by the Interconnection Customer pursuant to Section 3.5.8 of this GIP.

3.11.6.1.4 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

3.11.6.2.1 Up to One Hundred Twenty (120) Calendar 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 Section 3.11.2 above and on or before one hundred twenty (120) Calendar 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 Section 3.11.6.1 above, the Distribution Provider shall liquidate the Interconnection Financial Security for Network Upgrades under Section 3.11 of this GIP 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 \$10,000.00 per requested and approved MW 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.

3.11.6.2.2 Between One Hundred Eighty-One (181) Calendar Days and After the Final Interconnection 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 Interconnection 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 Section 3.11.6.1 above, the Distribution Provider shall liquidate the Interconnection Financial Security for Network Upgrades under Section 3.11 of this GIP 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 \$20,000.00 per requested and approved MW 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 Section 3.11 of this GIP, the Interconnection Customer withdraws the Interconnection Request or terminates the GIA, as applicable, in accordance with Section 3.11.6.1.2 above, and the Delivery Network Upgrades to be financed by the Interconnection Customer under Section 3.10 of this GIP that are also to be financed by one or more other Interconnection Customers, then Section 3.11.6.1.1 above 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 Section 3.11.6.3 above, 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 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 CAISO, if applicable, 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.

3.12 Generator Interconnection Agreement

3.12.1 Tender.

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 are in Attachments E (SGIA) and G (LGIA) to the Tariff. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices within thirty (30) Calendar Days.

3.12.2 Negotiation.

Notwithstanding Section 3.12.1 above, 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 3.12.1 above and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to Section 6.2 below.

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 6.2 below within one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), it shall be deemed to have withdrawn its Interconnection Request. Distribution Provider shall provide to Interconnection Customer a final GIA within fifteen (15) Business Days after the completion of the negotiation process.

SECTION 4. Cluster Study Process

4.1 Timing for Submitting Interconnection Requests

Interconnection Requests must be submitted during a Cluster Application Window as defined in Attachment 1 to this GIP. There are two Cluster Application Windows associated with each Interconnection Study Cycle. The first Cluster Application Window for Interconnection Requests not requiring assessment in the CAISO's Base Case studies will open on October 15, 2014 and close on November 15, 2014 and thereafter reopen each year for the period October 15 through November 15. The second Cluster Application Window will open on April 1, 2014 and close on April 30, 2014 and thereafter reopen each year for the period April 1 through April 30. If the Interconnection Request requires consideration in the CAISO's single annual Cluster Application Window under the interconnection procedures set forth in the CAISO Tariff, an Interconnection Request must be submitted to the CAISO during the second Cluster Application Window. In the event that any date set forth in this Section 4.1 is not a Business Day, then the applicable date shall be the next Business Day thereafter.

The Distribution Provider may change the Cluster Application Window interval and opening or closing dates at any time. Any changes to the Cluster Application Window interval and opening or closing dates will be posted on the Distribution Provider's website. If there is a conflict between the Cluster Application Window interval and opening or closing dates posted on the Distribution Provider's website and the dates identified in this Section 4.1, the dates posted on the Distribution Provider's website shall control.

4.2 Processing of Interconnection Request

4.2.1 Initiating an Interconnection Request.

To initiate an Interconnection Request under the Cluster Study Process, an Interconnection Customer either seeking (1) to interconnect a proposed Generating Facility with the Distribution Provider's Distribution System, or (2) to increase the capacity of a Generating Facility that has achieved Commercial Operation, must

submit during a Cluster Application Window all of the following: (i) an Interconnection Study Deposit equal to \$50,000.00 plus \$1,000.00 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 MW, up to a maximum of \$250,000.00, (ii) a completed Interconnection Request in the form of Appendix 1 to this GIP, including requested Deliverability status, preferred Point of Interconnection and voltage level, and all other technical data, and (iii) demonstration of Site Exclusivity or a posting of a Site Exclusivity Deposit of \$100,000.00 for a Small Generating Facility or \$250,000.00 for a Large Generating Facility. The demonstration of Site Exclusivity, at a minimum, must be through the Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility.

An Interconnection Customer seeking to exercise the Annual Full Capacity Deliverability Option for Full Capacity Deliverability Status or Partial Capacity Deliverability Status in accordance with Section 4.7 of this GIP must submit during the applicable Cluster Application Window all of the following: (i) a completed Interconnection Request in the form of Appendix 1 to this GIP, including requested Deliverability status, preferred Point of Interconnection and voltage level, and all other technical data, and (ii) a non-refundable \$10,000.00 study fee, the unused portion of which will be refunded to the Interconnection Customer.

4.2.1.1 Use of Interconnection Study Deposit

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

The Interconnection Study Deposits shall be refundable as follows:

4.2.1.1.1 Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under Section 1.10 of this GIP 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 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).

4.2.1.1.2 Should an Interconnection Request made under Section 4.2.1 of this GIP be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution

Provider by written notice under Section 1.10 of this GIP more than thirty (30) Calendar Days after the Scoping Meeting, but on or before thirty (30) Calendar Days following the Results Meeting for the Phase I Interconnection Study, the Distribution Provider shall refund to the Interconnection Customer the difference between (i) the Interconnection Customer's Interconnection Study Deposit and (ii) the greater of the costs the Distribution Provider 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 \$100,000.00, 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).

- 4.2.1.1.3 Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under Section 1.10 of this GIP at any time more than thirty (30) Calendar Days after the Results Meeting for the Phase I Interconnection Study, the Interconnection Study Deposit shall be non-refundable.
- 4.2.1.1.4 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 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 § 35.9a(a)(2)(iii).

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

4.2.1.2 Use of Site Exclusivity Deposit

The Site Exclusivity Deposit shall be refundable to the Interconnection Customer at any time upon demonstration of Site Exclusivity or the Interconnection Request is withdrawn by the Interconnection Customer or deemed withdrawn by the Distribution Provider by written notice under Section 1.10 of this GIP. The refund of the Site Exclusivity Deposit shall include interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the FERC's regulations at 18 CFR § 35.19a(a)(2)(iii). The Site Exclusivity Deposit shall continue to be required after the Interconnection Customer either executes a GIA or requests the filing of an unexecuted GIA under Section 6.8.3 of this GIP if Site Exclusivity has not been demonstrated.

4.2.2 Validation of Interconnection Request.

4.2.2.1 Acknowledgment of Interconnection Request

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

4.2.2.2 Deficiencies in Interconnection Request

An Interconnection Request will not be considered to be a valid request until all items in Section 4.2.1 above have been received by Distribution Provider and deemed valid by the Distribution Provider. If an Interconnection Request fails to meet the requirements set forth in Section 4.2.1 of this GIP, Distribution Provider shall include in its notification to the Interconnection Customer under this Section 4.2.2 the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Distribution Provider the additional requested information needed to constitute a valid request. Whenever the additional requested information is provided by the Interconnection Customer, the Distribution Provider shall notify the Interconnection Customer in writing within five (5) Business Days of receipt of the additional requested information whether the Interconnection Request is valid. If the Interconnection Request continues to fail to meet the requirements set forth in Section 4.2.1 of this GIP, the Distribution Provider shall include in its written notification to the Interconnection Customer the reasons for such failure. If an Interconnection Request has not been deemed valid, the Interconnection Customer must submit all information necessary to meet the requirements of Section 4.2.1 of this GIP 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 written notice that the Interconnection Request was not valid, whichever is later. Interconnection Requests that have not met the requirements of Section 4.2.1 above, 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 written notice that the Interconnection Request was not valid, whichever is later, will not be included in Interconnection Study Cycle and will be deemed invalid.

4.3 Scoping Meeting

4.3.1 Timing.

Within ten (10) Business Days after the Distribution Provider notifies the Interconnection Customer of a valid Interconnection Request, the Distribution Provider shall establish a date agreeable to the Interconnection Customer and the CAISO, 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.

4.3.2 Purpose.

The purpose of the Scoping Meeting shall be to discuss reasonable Commercial Operation Dates and alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection and eliminate alternatives given resources and available information. The Distribution Provider will bring to the meeting, as reasonably necessary to accomplish its purpose, the following:

4.3.2.1 such already available technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues; and

4.3.2.2 general information regarding the number, location, and capacity of other Interconnection Requests in the Interconnection Study Cycle that may potentially form a Cluster Study with the Interconnection Customer's Interconnection Request.

4.3.3 Interconnection Customer to Provide Information.

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

4.4 Generator Interconnection Study Process Agreement

Within thirty (30) Calendar Days of the close of the Cluster Application Window, the Distribution Provider shall provide to each Interconnection Customer with a valid Interconnection Request received during the Cluster Application Window a pro forma Generator Interconnection Study Process Agreement in the form set forth in Appendix 5 of this GIP. The pro forma Generator Interconnection Study Process Agreement shall specify that the Interconnection Customer is responsible for the actual cost of the Interconnection Studies, including reasonable administrative costs, and all requirements of this GIP. Within three (3) Business Days following the Scoping Meeting, the Interconnection Customer shall specify for inclusion in the attachment to the Generator Interconnection Study Process Agreement the Point of Interconnection for the Phase I Interconnection Study. Within ten (10) Business Days following the Distribution Provider's receipt of such designation, the Distribution Provider, in coordination with the CAISO, if applicable, shall provide to the Interconnection Customer a signed Generator Interconnection Study Process Agreement. The Interconnection Customer shall execute and deliver to the Distribution Provider the Generator Interconnection Study Process Agreement no later than thirty (30) Calendar Days after the Scoping Meeting.

4.5 Interconnection Studies

4.5.1 Grouping Interconnection Requests.

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

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

4.5.2 The Interconnection Studies consist of a Phase I Interconnection Study and a Phase II Interconnection Study, which may include, but are not limited to, short circuit/fault duty, steady state (thermal and voltage) and dynamic and/or stability analyses. The analysis of impacts on, and upgrades required to, the CAISO Grid will be directed by the CAISO pursuant to the terms and conditions set forth in the interconnection procedures of the CAISO Tariff for Queue Cluster 7 and subsequent Queue Clusters. The Interconnection Studies will identify direct Interconnection Facilities, Distribution Upgrades and required Reliability Network Upgrades necessary to mitigate thermal overloads and voltage violations, and address short circuit, stability, and reliability issues associated with the requested Interconnection Service.

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

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

All cost estimates for Distribution Provider's Interconnection Facilities, report in present dollar costs as well as time-adjusted dollar costs, adjusted to the estimated year of construction of the components being constructed.

4.5.3 Scope and Purpose of the Phase I Interconnection Study.

The Phase I Interconnection Study shall, as applicable:

4.5.3.1 evaluate the impact of all Interconnection Requests received

during the Cluster Application Windows for a particular year on the Distribution System and CAISO Grid;

- 4.5.3.2 preliminarily identify the Distribution Upgrades needed to address the impacts on the Distribution System;
- 4.5.3.3 preliminarily identify the Network Upgrades needed to address the impacts on the CAISO Grid of the Interconnection Requests;
- 4.5.3.4 preliminarily identify for each Interconnection Request required Distribution Provider's Interconnection Facilities;
- 4.5.3.5 assess the Point of Interconnection selected by each Interconnection Customer and potential alternatives to evaluate potential efficiencies in overall system upgrade costs;
- 4.5.3.6 establish the maximum cost responsibility for Network Upgrades assigned to each Interconnection Request in accordance with Section 4.5.4 below; and
- 4.5.3.7 provide a good faith estimate of the cost of Distribution Upgrades and Distribution Provider's Interconnection Facilities for each Interconnection Request.

If applicable, the portion of the Phase I Interconnection Study required to evaluate impacts on the CAISO Grid will be conducted in coordination with the CAISO in a manner consistent with the procedures set forth in the interconnection procedures of the CAISO Tariff.

The Phase I Interconnection Study may consist of a short circuit analysis, a stability analysis to the extent the Distribution Provider and CAISO, as applicable, 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 Section 4.5.4.2 below.

The short circuit analysis will include an evaluation of the short circuit duty impacts of all Generating Facilities interconnecting to the Distribution System on the Transmission System, including Generating Facilities being studied under the Independent Study Process. The Phase I Interconnection Study will state for each Group Study or Interconnection Request studied individually: (i) the assumptions upon which it is based, (ii) the results of the analyses, and (iii) the requirements or potential impediments to providing the requested Interconnection Service to all Interconnection Requests in a Group Study or to the Interconnection Request studied individually.

The Phase I Interconnection Study will provide, without regard to the

requested Commercial Operation Dates of the Interconnection Requests, a list of Distribution Upgrades and Network Upgrades that are preliminarily identified as required as a result of the Interconnection Requests in a Group Study or as a result of any Interconnection Request studied individually and Distribution Provider's Interconnection Facilities associated with each Interconnection Request, and an estimate of any other financial impacts (i.e., on Local Furnishing Bonds).

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

4.5.4.1 Reliability Network Upgrades

The Distribution Provider, in coordination with the CAISO, as applicable, may 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 (as defined in the CAISO Tariff) needed to interconnect the Generating Facilities to the Distribution System. The Distribution Provider, in coordination with the CAISO, as applicable, 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 (as defined in the CAISO Tariff).

The estimated costs of short circuit related Reliability Network Upgrades (as defined in the CAISO Tariff) identified through a Group Study shall be assigned to all Interconnection Requests in that Group Study pro rata on the basis of the short circuit duty contribution of each Generating Facility.

The estimated costs of all other Reliability Network Upgrades (as defined in the CAISO Tariff) identified through a Group Study shall be assigned to all Interconnection Requests in that Group Study pro rata on the basis of the maximum MW electrical output of each proposed new Generating Facility or the amount of MW 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 (as defined in the CAISO Tariff) identified as a result of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request.

4.5.4.2 Delivery Network Upgrades

4.5.4.2.1 The On-Peak Deliverability Assessment

An On-Peak Deliverability Assessment will be performed, in coordination with the CAISO, as applicable, 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 CAISO Grid, as applicable, under peak load conditions, and identify Area Delivery Network Upgrades (as defined in the CAISO Tariff) and Local Delivery Network Upgrades (as defined in the CAISO Tariff) required to provide the Generating Facility with Full Capacity Deliverability Status. The Area Delivery Network Upgrades and Local Delivery Network Upgrades identified by the On-Peak Deliverability Assessment will be used to establish the maximum cost responsibility consistent with the CAISO Tariff for such 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 CAISO Grid.

The On-Peak Deliverability Assessment will identify the Reliability Network Upgrades, Area Delivery Network Upgrades and the Local 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 CAISO Tariff) on the CAISO Grid consistent with reliability criteria, under CAISO Grid peak load and contingency conditions, and assuming the aggregate output of existing Generating Facilities with established Net Qualifying Capacity (as defined in the CAISO Tariff) values and other Generating Facilities in the Interconnection Study Cycle seeking Full Capacity Deliverability Status identified within the On-Peak Deliverability Assessment based on the effect of transmission constraints.

The On-Peak Deliverability Assessment will further include an analysis to estimate the MW of deliverable generation capacity for the individual or Group Study if the highest cost Delivery Network Upgrade component was removed from the preliminary Delivery Network Upgrade plan, or, at the Distribution Provider's and, as applicable, CAISO'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 Section 4.5.7.2 of this GIP or change the Interconnection Request's Full Capacity Deliverability Status for purposes of financing under Section 4.6.7 of this GIP.

The methodology for the On-Peak Deliverability Assessment will be as set forth in the CAISO Tariff. The On-Peak Deliverability Assessment does not convey any right to deliver electricity to any

specific customer or delivery point on the CAISO Grid.

The estimated costs of Delivery Network Upgrades (as defined in the CAISO Tariff) 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 defined in the CAISO Tariff) as determined by the generation distribution factor methodology set forth in the interconnection procedures of the CAISO Tariff.

4.5.4.2.2 The Off-Peak Deliverability Assessment.

An Off-Peak Deliverability Assessment will be performed, in coordination with the CAISO, as applicable, for Interconnection Customers selecting Full Capacity Deliverability Status in their Interconnection Requests to determine Delivery Network Upgrades (as defined in the CAISO Tariff) 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 CAISO Tariff, where the fuel source or source of energy for the LCRIG substantially occurs during off-peak conditions. Delivery Network Upgrades (as defined in the CAISO Tariff) will be identified under this Section to ensure that the full maximum MW electrical output of each proposed new LCRIG or the amount of MW increase in the generating capacity of each existing LCRIG as listed by the Interconnection Customer in its Interconnection Request, whether studied individually or as a Group Study, is deliverable to the aggregate of Load on the CAISO Grid under the Generation dispatch conditions studied. The methodology for the Off-Peak Deliverability Assessment will be published pursuant to the CAISO Tariff.

At the Distribution Provider’s and, as applicable, CAISO’s discretion, an additional Off-Peak Deliverability Assessment may be performed to estimate the MW of deliverable generation capacity from the LCRIG studied individually or from the Group Study if the highest cost, or any other, Delivery Network Upgrade component were removed from the preliminary Delivery Network Upgrade plan. This information is provided to allow Interconnection Customers to address at the Results Meeting potential modifications under GIP Section 4.5.7.2 or change the Interconnection Request’s Full Capacity Deliverability Status for purposes of financing under GIP Section 4.6.7.

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

4.5.4.3 Distribution Upgrades

The Distribution Provider may perform short circuit analyses and stability analyses, if required, for each Interconnection Request either individually or as part of a Group Study to preliminarily identify the Distribution Upgrades needed to interconnect the Generating Facility to the Distribution System. The Distribution Provider may also perform power flow analyses, under a variety of system conditions, for each Interconnection Request either individually or as part of a Group Study to identify reliability criteria violations on the Distribution System, including applicable thermal overloads, that must be mitigated by Distribution Upgrades.

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

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

The costs assigned to Interconnection Customers for Network Upgrades under this Section 4.5 shall establish the maximum value for the Interconnection Financial Security required from each Interconnection Customer under Section 4.8 of this GIP for such Network Upgrades. In contrast, the costs assigned to Interconnection Customers for Distribution Provider's Interconnection Facilities and Distribution Upgrades under this Section 4.5 are estimates only that establish the basis for the initial Interconnection Financial Security required from each Interconnection Customer under Section 4.8 of this GIP for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

4.5.6 Phase I Interconnection Study Procedures.

The Distribution Provider shall, coordinate the Phase I Interconnection Study with the CAISO, as applicable, and any Affected System Operator that is affected by the Interconnection Request pursuant to Section 6.13 of this GIP. 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 CAISO, as applicable, to ensure the Base Cases are accurately developed for the assessment of impacts on the CAISO Grid.

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 within two hundred (200) Calendar Days after the commencement of the Phase I Interconnection Study for Queue Cluster 7 and within one hundred-seventy (170) Calendar Days after the annual commencement of the Phase I Interconnection Study beginning with Queue Cluster 6; however, each individual study or Group Studies may be completed prior to this maximum time where practicable based on factors, including, but not limited to: (i) the number of Interconnection Requests in the two associated Cluster Application Windows, (ii) study complexity, and (iii) reasonable availability of subcontractors as provided under Section 1.6.3.3 above. The Distribution Provider will share applicable study results with the CAISO and Affected System Operators, if applicable, for review and comment and will incorporate comments into the study report. The Distribution Provider will issue a final Phase I Interconnection Study report to the Interconnection Customer. At the time of completion of the Phase I (CAISO) Interconnection Study, the Distribution Provider may, at the Interconnection Customer's request, determine whether the provisions of GIP Section 4.6.7 apply.

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 CAISO Tariff GIP study processes, or unavailability of subcontractors on a reasonable basis to perform the study in the required time frame, the Distribution Provider shall notify the Interconnection Customers as to the schedule status of the Phase I Interconnection Study and provide an estimated completion date with an explanation of the reasons why additional time is required.

Upon request, the Distribution Provider shall provide the Interconnection Customer all supporting documentation, 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 consistent with Section 6.5 of this GIP.

4.5.7 Phase I Interconnection Study Results Meeting.

Within thirty (30) Calendar Days of providing the Phase I Interconnection Study report to the Interconnection Customer, the Distribution Provider, the CAISO and/or 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.

4.5.7.1 Commercial Operation Date

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

construction, and expected project construction date. This will assist the Parties in determining if Commercial Operation Dates are reasonable. If major Distribution Provider's Interconnection Facilities or Distribution Upgrades for the Generating Facility have been identified in the Phase I Interconnection Study, such as telecommunications equipment to support a possible special protection system ("SPS"), distribution feeders to support back feed, new substation, and/or expanded substation work, permitting and material procurement lead times may result in the need to alter the proposed Commercial Operation Date. The Parties may agree to a new Commercial Operation Date. In addition, where an Interconnection Customer intends to establish Commercial Operation separately for different Electric Generating Units or project phases at its Generating Facility, it may only do so in accordance with an implementation plan agreed to in advance by the Distribution Provider and CAISO, if applicable, which agreement shall not be unreasonably withheld. Where the Parties cannot agree, the Commercial Operation Date determined reasonable by the Distribution Provider, in coordination with the CAISO, if applicable, will be used for the Phase II Interconnection Study where the changed Commercial Operation Date is needed to accommodate the anticipated completion, assuming Reasonable Efforts by the Distribution Provider, of necessary Distribution Upgrades, Reliability Network Upgrades and/or Distribution Provider's Interconnection Facilities, pending the outcome of any relief sought by the Interconnection Customer under Section 6.2 of this GIP. The Interconnection Customer must notify the Distribution Provider in writing within five (5) Business Days following the Results Meeting that it is initiating dispute procedures under Section 6.2 of this GIP.

4.5.7.2 Modifications

- 4.5.7.2.1 At any time during the course of the Interconnection Studies, the Interconnection Customer, the Distribution Provider, or the CAISO, 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 CAISO, as applicable, and Interconnection Customer, such acceptance not to be unreasonably withheld, Distribution Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes without altering the Interconnection Request's eligibility for participating in Interconnection Studies.
- 4.5.7.2.2 At the Phase I Interconnection Study Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection

Request. After the 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 modification to the CAISO, if applicable, within two (2) Business Days of receipt.

Modifications permitted under this Section 4.5.7.2 shall include specifically: (a) a decrease in the electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration.

For any modification other than those listed in the above paragraph, 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 CAISO, 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 Section 4.5.7.2, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification. Interconnection Customer may then either:

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

The Interconnection Customer shall remain eligible for

the Phase II Interconnection Study if the modifications are in accordance with this Section 4.5.7.2.

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

After receiving from the Interconnection Customer any modification elections involving decreases in electrical output (MW) of the Generating Facility and/or changes (i.e., reductions) in Deliverability Status as permitted in Section 4.6.1 below, the Distribution Provider, in coordination with the CAISO, will determine, based on best engineering judgment, whether such modifications will eliminate the need for any Delivery Network Upgrades identified in the Phase I Interconnection Study report. The Distribution Provider and CAISO will not conduct any re-studies in making this determination. If the Distribution Provider and CAISO should determine that one or more Delivery Network Upgrades identified in the Phase I Interconnection Study are no longer needed, then, solely for purposes of calculating the amount of the Interconnection Customer's initial posting of Interconnection Financial Security under Section 4.8.2 below, such Delivery Network Upgrade(s) will be considered to be removed from the plan of service described in the Interconnection Customer's Phase I Interconnection Study report and the cost estimates for such upgrades shall not be included in the calculation of Interconnection Financial Security in Section 4.8.2 of this GIP. The Distribution Provider will inform in a timely manner any Interconnection Customers so affected, and provide the Interconnection Customers with written notice of the revised amounts for the initial Interconnection Financial Security posting. No determination under this Section 4.5.7.3 shall affect either (i) the timing for the initial Interconnection Financial Security posting, or (ii) the maximum value for the Interconnection Customer's total cost responsibility for Network Upgrades established by the Phase I Interconnection Study report.

4.5.7.4 Revisions and Addenda to Final Interconnection Study Reports

4.5.7.4.1 Substantial Error or Omissions: Revised Study Report

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

understatement or overstatement of the Interconnection Customer's cost responsibility for Network Upgrades by more than five percent (5%) or one million dollars (\$1,000,000.00), whichever is greater; or (ii) results in a delay to the schedule by which the Interconnection Customer can achieve Commercial Operation, based on the results of the final Interconnection Study, by more than one year. A dispute over the plan of service by an Interconnection Customer shall not be considered a substantial error or omission unless the Interconnection Customer demonstrates that the plan of service was based on an invalid or erroneous study assumption that meets the criteria set forth above.

4.5.7.4.2 Other Errors or Omissions: Addendum

If an error or omission in an Interconnection Study report is not a substantial error or omission, the Distribution Provider shall not issue a revised final Interconnection Study report, although the error or omission may result in an adjustment of the corresponding Interconnection Financial Security. Rather, the Distribution Provider shall document such error or omission and make any appropriate correction by issuing an addendum to the final report. The Distribution Provider shall also incorporate, as needed, any corrected information pertinent to the terms or conditions of the GIA in the draft GIA provided to an Interconnection Customer pursuant to Section 4.9.1 of this GIP.

4.5.7.4.3 Only Substantial Errors or Omissions Adjust Posting Dates

Unless the error or omission is a substantial error resulting in the issuance of a revised final Interconnection Study report, the correction of an error or omission shall not operate to delay any deadline for posting Interconnection Financial Security set forth in Section 4.8 below. In the case of a substantial error or omission resulting in the issuance of a revised final Phase I or Phase II Interconnection Study report, the deadline for posting Interconnection Financial Security shall be extended as set forth in Section 4.8 of this GIP. In addition to issuing a revised final report, the Distribution Provider will promptly notify the Interconnection Customer of any revised posting amount

and extended due date occasioned by a substantial error or omission. An Interconnection Customer's dispute of a Distribution Provider determination that an error or omission in a final study report does not constitute substantial error shall not operate to change the amount of Interconnection Financial Security that the Interconnection Customer must post or to postpone the applicable deadline for the Interconnection Customer to post Interconnection Financial Security. In case of such a dispute, the Interconnection Customer shall post the amount of Interconnection Financial Security in accordance with Section 4.8 below, subject to refund in the event that the Interconnection Customer prevails in the dispute.

4.5.8 Reassessment Prior to Phase II Interconnection Studies.

Before undertaking the Phase II Interconnection Studies, the Distribution Provider will conduct a reassessment consistent with the interconnection procedures of the CAISO Tariff to conform the Base Case (as defined in the CAISO Tariff) and Interconnection Base Case Data (as defined in the CAISO Tariff) to account for later conditions since the Phase II Study in the prior Interconnection Study Process.

4.6 Phase II Interconnection Study

4.6.1 Activities in Preparation for Phase II Interconnection Study.

Within ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to the Distribution Provider the completed form of Attachment B to Appendix 5 of this GIP ("Data Form To Be Provided by the Interconnection Customer Prior to Commencement of the Phase II Interconnection Study"). Within such Attachment B, the Interconnection Customer shall either: (i) confirm the desired deliverability status that the Interconnection Customer had previously designated in the completed form of Attachment A to Appendix 5 of this GIP ("Assumptions Used in Conducting the Phase I Interconnection Study"); or (ii) change the status of desired deliverability in one of the following ways:

4.6.1.1 from Full Capacity Deliverability Status to Energy-Only Deliverability Status;

4.6.1.2 from Full Capacity Deliverability Status to Partial Capacity Deliverability Status with a specified MW amount of Full Capacity Deliverability Status;

4.6.1.3 from Partial Capacity Deliverability Status to Energy-Only Deliverability Status; or

4.6.1.4 reduce Partial Capacity Deliverability Status to a lower MW amount of Full Capacity Deliverability Status.

The Distribution Provider will forward a copy of the completed form of Attachment B to Appendix 5 of this GIP to the CAISO.

4.6.2 Full Capacity or Partial Capacity Deliverability Options for Interconnection Customers Following Queue Cluster.

This Section applies to Interconnection Requests following Queue Cluster 7 for which the Generating Facility Deliverability status is either Full Capacity Deliverability Status or Partial Capacity Deliverability Status. Within Attachment B to Appendix 5 of this GIP, the Interconnection Customer must select one of two options with respect to its Generating Facility: Option (A), which means that the Generating Facility requires TP Deliverability to be able to continue to Commercial Operation. If the Interconnection Customer selects Option (A), then the Interconnection Customer shall be required to make an initial posting of Interconnection Financial Security under Section 4.8.2 of this GIP for the cost responsibility assigned to it in the Phase I Interconnection Study for Reliability Network Upgrades and Local Delivery Network Upgrades, and shall not be required to post Interconnection Financial Security for Area Delivery Network Upgrades; or, Option (B), which means that the Interconnection Customer will assume cost responsibility for Delivery Network Upgrades (both Area Delivery Network Upgrades and Local Delivery Network Upgrades, to the extent applicable) without cash repayment under Section 8.3.1 to this GIP to the extent that sufficient TP Deliverability is not allocated to the Generating Facility to provide its requested amount of Deliverability Status. If the Interconnection Customer selects Option (B), then the Interconnection Customer shall be required to make an initial posting of Interconnection Financial Security under Section 4.8.2 of this GIP for the cost responsibility assigned to it in the Phase I Interconnection Study for Reliability Network Upgrades, Local Delivery Network Upgrades and Area Delivery Network Upgrades.

4.6.3 Scope of the Phase II Interconnection Study.

The Distribution Provider, in coordination with the CAISO, as applicable, will conduct a Phase II Interconnection Study that will incorporate eligible Interconnection Requests from the previous Phase I Interconnection Study. The Phase II Interconnection Study shall: (i) update, as necessary, analyses performed in the Phase I Interconnection Study to account for the withdrawal of Interconnection Requests or other projects in the interconnection queue; (ii) identify Distribution Upgrades needed to physically interconnect the Generating Facility; (iii) assign cost responsibility for the Distribution Upgrades; (iv) identify final Reliability Network Upgrades (as defined in the CAISO Tariff) needed to physically and reliably interconnect the Generating Facilities and provide final cost estimates; (v) for Queue Clusters following Queue Cluster 5 identify, following coordination with the CAISO's transmission planning process, final Local Delivery Network Upgrades needed to interconnect those Generating Facilities selecting Full Capacity or Partial Capacity Deliverability Status and provide final cost estimates; (vi) for Queue Clusters following Queue Cluster 7, identify final Area Delivery Network Upgrades for those Interconnection Customers selecting Option (B) in accordance with Section 4.6.2 of this GIP and provide revised cost estimates,

allocate estimated cost responsibility for financing Delivery Network Upgrades (Area Delivery Network Upgrades and the Local Delivery Network Upgrades) (as defined in the CAISO Tariff) needed to interconnect those Generating Facilities selecting Full Capacity Deliverability Status; (vii) identify for each Interconnection Request final Point of Interconnection and Distribution Provider's Interconnection Facilities; (viii) provide an estimate for each Interconnection Request of the final Distribution Provider's Interconnection Facilities; and (ix) coordinate in-service timing requirements based on operational studies in order to facilitate achievement of the Commercial Operation Dates of the Generating Facilities, as applicable. For Queue Clusters subsequent to Queue Cluster 7, where the cost estimates applicable to the total of the Reliability Network Upgrades and Local Delivery Network Upgrades are based upon the Phase I Interconnection Study (because the cost estimates for the Network Upgrades were lower and so establish maximum cost responsibility under Section 4.6.7.3 below), the Phase II Interconnection Study report shall recite this fact.

With respect to the foregoing items, the Phase II Interconnection Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the updated Phase II Interconnection Study technical analyses in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the Distribution System. The Phase II Interconnection Study shall also identify the electrical switching configuration of the connection equipment, including, but not limited to: (i) the transformer, switchgear, meters, and other station equipment; (ii) the nature and estimated cost of any Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades necessary to accomplish the interconnection; and (iii) an estimate of the time required to complete the construction and installation of such facilities.

4.6.4 Phase II Interconnection Study Procedures.

Distribution Provider shall coordinate the Phase II Interconnection Study, as applicable, with the CAISO and any Affected System Operator that is affected by the Interconnection Request pursuant to Section 6.13 below. Distribution Provider shall utilize existing studies to the extent practicable in conducting the Phase II (CAISO) Interconnection Study. Distribution Provider will coordinate Base Case development with the CAISO, if applicable, to ensure the Base Cases are accurately developed for the assessment of impacts on the CAISO Grid. The Distribution Provider shall use Reasonable Efforts to commence the Phase II Interconnection Study by May 1 of each year and to complete and issue the Phase II Interconnection Study report to Interconnection Customer within two hundred-five (205) Calendar Days after the annual commencement of the Phase II Interconnection Study. The Distribution Provider will share the pertinent study results with the CAISO and any Affected System Operator, if applicable, for review and comment, and will incorporate comments into the study report. The Distribution Provider will issue a final Phase II Interconnection Study report to

Interconnection Customer.

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

Upon request, Distribution Provider shall provide Interconnection Customer all supporting documentation, 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 Section 6.5 of this GIP.

4.6.5 Coordination of the Phase II Interconnection Study with the CAISO's Transmission Planning Process.

The Distribution Provider, in cooperation with the CAISO, if applicable, shall coordinate the analysis of impacts on the CAISO Grid under the Phase II Interconnection Studies with the CAISO's transmission planning process in accordance with the interconnection procedures of the CAISO Tariff.

4.6.6 Cost Responsibility for Distribution Upgrades.

The cost responsibility for Distribution Upgrades identified in the Phase II Interconnection Study of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request. The 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 Group Study pro rata on the basis of the each Interconnection Request's contribution to the need for the Distribution Upgrade. Notwithstanding the foregoing, each Interconnection Customer will be responsible for its allocated share of the actual costs of Distribution Upgrades as set forth in this Section 4.6.6.

4.6.7 Cost Responsibility for Network Upgrades.

4.6.7.1 Financing of Cost Responsibility for Reliability Network Upgrades

The cost responsibility for final Reliability Network Upgrades (as defined in the CAISO Tariff) identified in the Phase II Interconnection Study shall be assigned in accordance with the interconnection procedures of the CAISO Tariff, as applicable.

4.6.7.2 Cost Responsibility for Delivery Network Upgrades

The cost responsibility for all Delivery Network Upgrades (as defined in the CAISO Tariff)

for all Local Delivery Network Upgrades and Area Delivery Network Upgrades for Queue Clusters subsequent to Queue Cluster 7 shall be assigned in accordance with the interconnection procedures of the CAISO Tariff.

4.6.7.3 Costs Identified in the Phase II Interconnection Study Report Form the Basis of the Second and Third Interconnection Financial Security Postings

The Phase II Interconnection Study report shall set forth the applicable cost estimates for the Network Upgrades in accordance with this Section 4.6.7 and shall establish the basis for the second and third Interconnection Financial Security postings required from each Interconnection Customer under Sections 4.8.3 and 4.8.4 as set forth below.

4.6.7.3.1 For Queue Clusters Subsequent to Queue Cluster 7

After the Phase II Interconnection Study report is issued to the Interconnection Customer, the maximum value for Interconnection Financial Security for Reliability Network Upgrades and Local Delivery Network Upgrades shall be established comparing the subtotal cost for Reliability Network Upgrades and Local Delivery Network Upgrades determined in the final Phase I Interconnection Study to the subtotal cost for Reliability Network Upgrades and Local Delivery Network Upgrades determined in the final Phase II Interconnection Study, and utilizing the lower subtotal. The lower subtotal for Reliability Network Upgrades and Local Delivery Network Upgrades shall also establish the Interconnection Customer's maximum cost responsibility for Reliability Network Upgrades and Local Delivery Network Upgrades after issuance of the Phase II Interconnection Study report. The cost estimate for Area Delivery Network Upgrades set forth in the Phase II Interconnection Study report shall provide the basis for second and third Interconnection Financial Postings for those Interconnection Customers that have selected Option (B). The Area Delivery Network Upgrades cost estimates provided in any Interconnection Study report are estimates only and do not provide a maximum value for cost responsibility to an Interconnection Customer for Area Delivery Network Upgrades. Notwithstanding the foregoing, each Interconnection Customer will be responsible for its allocated share of the actual costs of Area Delivery Network Upgrades as set forth in this Section 4.6.7.3.1.

4.6.8 Financing Network Upgrades that are or were an Obligation of an Entity other than Interconnection Customer.

The Distribution Provider shall be responsible for financing the Network Upgrades, meeting the conditions as specified below, necessary to support the interconnection of the Generating Facility of an Interconnection Customer with a GIA, whenever either:

4.6.8.1 the Network Upgrades were included in the Base Case for an

Interconnection Study on the basis that they were Network Upgrades associated with Generating Facilities of Interconnection Customers that have an executed GIA (or its equivalent predecessor agreement) or unexecuted GIA (or its equivalent predecessor agreement) filed with FERC, but the Network Upgrades will not otherwise be completed because such GIA or equivalent predecessor agreement was subsequently terminated or the Interconnection Request has otherwise been withdrawn; or

- 4.6.8.2 the Network Upgrades were included in the Base Case for an Interconnection Study on the basis that they were Network Upgrades associated with Generating Facilities of Interconnection Customers that have an executed GIA (or its equivalent predecessor agreement) or unexecuted GIA (or its equivalent predecessor agreement) filed with FERC, but the Network Upgrades will not otherwise be completed 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 Section 4.6.8 arises only after the Distribution Provider, in coordination with the CAISO, as 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.

4.6.9 Interim Energy-Only Interconnection Until Delivery Network Upgrades Are Completed.

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

4.6.10 Results Meeting with Distribution Provider and CAISO.

Interconnection Customer may, within thirty (30) Calendar Days after receipt of the draft Phase II Interconnection Study report, provide written comments to Distribution Provider, which Distribution Provider shall include in the final report. Distribution Provider shall issue the final Phase II Interconnection Study report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Distribution Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Distribution Provider to perform additional analyses

or make other significant modifications prior to the issuance of the final Phase II Interconnection Study report. Upon request, Distribution Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Phase II Interconnection Study, subject to confidentiality arrangements consistent with Section 6.5 of this GIP.

Within ten (10) Business Days of providing a draft Phase II Interconnection Study report to Interconnection Customer, Distribution Provider and Interconnection Customer shall meet to discuss the results of the Phase II Interconnection Study.

4.6.11 Re-Evaluation of Distribution Upgrades Following Phase II Study.

If an assessment following the issuance of the final Phase II Interconnection Study is required to re-evaluate an Interconnection Customer's required Distribution Upgrades due to a project withdrawal, Distribution Provider shall so notify the Interconnection Customer in writing. Such re-evaluation shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of the re-evaluation shall be borne by the Interconnection Customer being re-evaluated.

4.6.12 Re-Evaluation of Network Upgrades Following Phase II Study.

Any re-evaluation of required Network Upgrades following issuance of the Phase II Interconnection Study due to project withdrawals shall be performed in accordance with the procedures set forth in the interconnection procedures of the CAISO Tariff.

4.6.13 Allocation Process for TP Deliverability for all Queue Clusters Subsequent to Queue Cluster 7.

After the Phase II Interconnection Study reports are issued for Queue Cluster 7 and subsequent Queue Clusters, the TP Deliverability allocation will be performed by the CAISO pursuant to the applicable provisions of the interconnection procedures of the CAISO Tariff. Within two (2) Business Days following the CAISO's issuance of the market notice, the Distribution Provider will notify Interconnection Customer as to the CAISO's timeline for commencement of the allocation activities, for Interconnection Customer submittal of eligibility status and retention information, and anticipated release of allocation results to Interconnection Customer. The Interconnection Customer must submit simultaneously to the Distribution Provider and the CAISO the information required by the relevant section of the interconnection procedures of the CAISO Tariff. Upon receipt from the CAISO of the result of the allocation of TP Deliverability, the Interconnection Customers will have seven (7) Calendar Days to inform the Distribution Provider and the CAISO of its decision. The Distribution Provider shall not be responsible for the results of the CAISO's allocation of TP Deliverability. If the Interconnection Customer disputes the outcome of the CAISO's TP Deliverability allocation, the Interconnection Customer must raise such dispute with the CAISO in accordance with the CAISO Tariff Dispute Resolution procedures. The results of the TP Deliverability allocation will be reflected in the GIA between the Distribution Provider and Interconnection Customer. The Interconnection Customer must demonstrate to the Distribution Provider and the CAISO, in the

form required by the CAISO, that it meets the criteria set forth the applicable section of the interconnection procedures of the CAISO Tariff, in order to retain its TP Deliverability allocation.

4.6.13.1 Consequences of Failure to Retain TP Deliverability

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

4.7 Additional Deliverability Assessment Options

4.7.1 Annual Full Capacity Deliverability Option.

Consistent with the interconnection procedures of the CAISO Tariff, Generating Facilities eligible for Deliverability under this Section are: (i) a Generating Facility previously studied as Energy-Only Deliverability Status or which has a GIA under which the Generating Facility has Energy-Only Deliverability Status and such GIA is in good standing at the time of request under this Section; (ii) an Option (A) Generating Facility not allocated TP Deliverability Status and has a GIA in good standing and desires to seek additional Deliverability with respect to the Energy-Only Deliverability Status portion of the Generating Facility; and (iii) an Option (B) Generating Facility which chose Partial Capacity Deliverability Status and has a GIA in good standing, and desires to seek additional Deliverability with respect to the Energy-Only Deliverability Status portion of the Generating Facility. An eligible Generating Facility will have an option to be studied for Full Capacity Deliverability Status (to determine whether it can be designated for Full Capacity Deliverability Status) or Partial Capacity Deliverability Status, based on available transmission capacity. To be considered in the Annual Full Capacity Deliverability Study, the Interconnection Customer must make a request for such a study within a Cluster Application Window which complies with Section 4.2.1 of this GIP within a Cluster Application Window. The Annual Full Capacity Deliverability Study will be performed by the CAISO pursuant to the interconnection procedures of the CAISO Tariff for Queue Clusters subsequent to Queue Cluster 7. Any Interconnection Customer selecting this option will be studied by the CAISO immediately following the Phase II Interconnection Studies associated with the Cluster Application Window during which the Interconnection Customer submitted the request.

4.7.1.1 Study Costs

The Distribution Provider and the 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.

4.8 Interconnection Financial Security

4.8.1 Types of Interconnection Financial Security.

The Interconnection Financial Security posted by an Interconnection Customer may be any combination of the types of Interconnection Financial Security set forth in Section 3.11.1 of this GIP.

4.8.2 Initial Posting of Interconnection Financial Security.

On or before ninety (90) Calendar Days after publication of the final Phase I Interconnection Study report, Interconnection Customer must post, with notice to the Distribution Provider, two separate Interconnection Financial Security instruments.

4.8.2.1 Initial Posting Amounts for Network Upgrades for a Generating Facility

The Interconnection Customer proposing to interconnect a Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of:

4.8.2.1.1 fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades; or

4.8.2.1.2 \$20,000.00 per MW of electrical output of the Generating Facility or the amount of MW increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request.

If an Interconnection Customer switches its status from Full Capacity Deliverability Status to Energy-Only Deliverability Status within five (5) Business Days following the Phase I Interconnection Study Results Meeting, as permitted in Section 4.5.7.2 above, the required Interconnection Financial Security for Network Upgrades shall be capped, for purposes of this Section, at an amount no greater than the total cost responsibility assigned to the Interconnection Customer in the Phase I Interconnection Study for Reliability Network Upgrades.

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

Second, the Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of twenty percent (20%) of the total estimated cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

4.8.2.3 Consequences for Failure to Post Interconnection Financial Security

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this Section 4.8.2 shall result in the Interconnection Request being deemed withdrawn and subject to Section 1.10 of this GIP.

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

4.8.2.4 Effect of Decrease in Output on Initial Posting Requirement

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

4.8.3 Second Posting of Interconnection Financial Security.

On or before one hundred eighty (180) Calendar Days after publication of the final Phase II Interconnection Study report, the Interconnection Customer shall post two separate Interconnection Financial Security instruments.

4.8.3.1 Second Posting of Interconnection Financial Security Amounts for Network Upgrades for a Generating Facility

The Interconnection Customer proposing to interconnect a Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Network Upgrades equals the lesser of:

4.8.3.1.1 \$1 million; or

4.8.3.1.2 thirty percent (30%) of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Phase I Interconnection Study or final Phase II Interconnection Study, whichever is lower.

4.8.3.2 Second Posting Amounts for Distribution Provider's

Interconnection Facilities and Distribution Upgrades for a Generating Facility

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 Phase II Interconnection Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

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

4.8.3.3 Consequences of Failure to Post Interconnection Financial Security

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this Section 4.8.3 shall result in the Interconnection Request being deemed withdrawn and subject to Section 1.10 of this GIP or, if applicable, shall constitute grounds for termination of the GIA pursuant to Article 3.3 of the Small Generator Interconnection Agreement (Attachment E to WDAT) and Article 17 of the Large Generator Interconnection Agreement (Attachment F to WDAT).

4.8.4 Third Posting of Interconnection Financial Security.

On or before the start of Construction Activities for Network Upgrades or Distribution Provider's Interconnection Facilities or Distribution Upgrades on behalf of the Interconnection Customer, whichever is earlier, the Interconnection Customer shall modify the two separate Interconnection Financial Security instruments posted pursuant to this GIP Section 4.8.3 as follows:

4.8.4.1 Third Posting Amounts for Network Upgrades for a Generating Facility

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 either the final Phase I Interconnection Study or Phase II Interconnection Study, whichever is lower.

4.8.4.2 Third Posting Amounts for Distribution Provider's Interconnection Facilities and Distribution Upgrades for a

Generating Facility

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.

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by GIP Section 4.8.4 shall constitute grounds for termination of the GIA pursuant to Article 3.3 of the Small Generator Interconnection Agreement (Attachment E to WDAT) and Article 17 of the Large Generator Interconnection Agreement (Attachment F to WDAT).

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

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

4.8.5.1 Conditions for Partial Recovery of Interconnection Financial Security upon Withdrawal of Interconnection Request or Termination of GIA

A portion of the Interconnection Financial Security shall be released to the Interconnection Customer, consistent with Section 4.8.5.2 below, if the withdrawal of the Interconnection Request or termination of the GIA occurs for any of the following reasons:

4.8.5.1.1 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.

4.8.5.1.2 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.

4.8.5.1.3 Increase in the Cost of Distribution Provider's Interconnection Facilities or Distribution Upgrades

The Interconnection Customer withdraws the Interconnection Request or terminates the GIA based on an increase of:

- (i) more than 30% or \$300,000.00, whichever is greater, in the estimated cost of Distribution Provider's Interconnection Facilities; or
- (ii) more than 30% or \$300,000.00, 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 4.8.5.1.3 shall not apply if the cause of the cost increase under Sections 4.8.5.1.1 or 4.8.5.1.2 above is the result of a change requested by the Interconnection Customer pursuant to Section 4.5.7.2 of this GIP.

4.8.5.1.4 Material Change in Interconnection Customer's Interconnection Facilities Created by the Distribution Provider's Change in the Point of Interconnection

The Interconnection Customer withdraws the Interconnection Request or terminates the GIA based on a material change from the Phase I Interconnection Study in the Point of Interconnection for the Generating Facility mandated by the Distribution Provider and

included in the final Phase II Interconnection Study. A material change in the Point of Interconnection shall be where the Point of Interconnection has moved to:

- (i) a different substation;
- (ii) a different line on a different right of way; or
- (iii) a materially different location than previously identified on the same line.

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

4.8.5.2.1 Up to One Hundred Eighty (180) 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 Section 4.8.2 above 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 Section 4.8.5.1 above, the Distribution Provider shall liquidate the Interconnection Financial Security for Network Upgrades under Section 4.8.2 of this GIP and reimburse the Interconnection Customer in an amount of:

- (i) any posted amount less fifty percent (50%) of the value of the posted Interconnection Financial Security for Network Upgrades (with a maximum of \$10,000.00 per requested and approved MW value of the Generating Facility Capacity at the time of withdrawal being retained by the Distribution Provider); or
- (ii) if the Interconnection Financial Security has been drawn down to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, the lesser of the remaining balance of the Interconnection Financial Security or the amount calculated under (i) above.

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

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

If the Interconnection Customer either withdraws its Interconnection Request or terminates its GIA under any of the applicable conditions of Section 4.8.5.1 above and at any time between the initial posting and the deadline for the second posting of the Interconnection Financial Security for applicable Network Upgrades, the Distribution Provider shall liquidate the Interconnection Financial Security for the applicable Network Upgrades under Section 4.8.2 of this GIP the lesser of: (a) the Interconnection Financial Security plus any other provided security plus any separately provided capital less all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer; or (b) the Interconnection Financial Security plus any other provided security plus any separately provided capital minus the any the lesser of fifty percent (50%) of the value of the posted Interconnection Financial Security for Network Upgrades; or (c) \$10,000.00 per requested and approved MW value of the Generating Facility Capacity at the time of withdrawal.

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

If, at any time after the posting requirement under Section 4.8.3 above, the Interconnection Customer withdraws the Interconnection Request or terminates the GIA, as applicable, in accordance with Section 4.8.5.1.2 above, and the Delivery Network Upgrades to be financed by the Interconnection Customer under Section 4.6.7 of this GIP are also to be financed by one or more other Interconnection Customers, then Section 4.8.5.2.1 above shall apply, except that the Interconnection Customer shall not be reimbursed for its share of any actual costs incurred or irrevocably committed by the Distribution Provider for Construction Activities.

4.8.5.2.4 After Commencement of Construction Activities

Except as otherwise provided in Section 4.8.5.2.3 above, once Construction Activities on Network Upgrades on behalf of the Interconnection Customer commence, any withdrawal of the Interconnection Request or termination of the GIA by the Interconnection Customer will be treated in accordance with this Section 4.8.5.

4.8.5.2.5 Notification to CAISO and Accounting by Distribution Provider

The Distribution Provider will notify the CAISO, as applicable, 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 CAISO and Interconnection Customer with an accounting of the disposition of the proceeds of the liquidated Interconnection Financial Security and remit to the CAISO all proceeds not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer in accordance with this Section 4.8.5. All non-refundable portions of the Interconnection Financial Security remitted to the CAISO in accordance with this Section 4.8.5 shall be treated in accordance with CAISO Tariff Section 37.9.4.

4.8.5.3 Adjusting Network Upgrade Postings Following Reassessment Process

For Interconnection Customers in Queue Clusters 6 or subsequent Queue Clusters having selected Option (B), the most recent reassessment conducted under the applicable provision of the interconnection procedures of the CAISO Tariff in any Interconnection Study Cycle following the Interconnection Customer's receipt of its Phase II Interconnection Study report shall provide the most recent cost estimates for the Interconnection Customer's Area Delivery Network Upgrades, and the Interconnection Customer shall adjust its Interconnection Financial Security for Network Upgrades to correspond to the most recent estimate for Area Delivery Network Upgrades.

4.9. Generator Interconnection Agreement

4.9.1 Tender

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 GIAs, which are in Attachments E (SGIA) and G (LGIA) to the Tariff. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices within thirty (30) Calendar Days.

4.9.2 Negotiation

Notwithstanding Section 4.9.1 above, 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. 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 4.9.1 above and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to Section 6.2 of this GIP. If Interconnection Customer requests termination of the negotiations, but within ninety (90) Calendar Days after issuance of the final Phase II Interconnection Study report, fails to request either the filing of the unexecuted 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 6.2 of this GIP, within ninety (90) Calendar Days after issuance of the final Phase II Interconnection Study report, it shall be deemed to have withdrawn its Interconnection Request. Distribution Provider shall provide to Interconnection Customer a final GIA within fifteen (15) Business Days after the completion of the negotiation process.

Execution of the GIA and the filing of the GIA at FERC are addressed in Section 6.8 below.

SECTION 5. Under 10 kW Inverter Process

5.1 Applicability of Under 10 kW Inverter Process

The Under 10 kW Inverter Process is available to an Interconnection Customer proposing to interconnect its Generating Facility with the Distribution Provider's Distribution System if the Generating Facility is a certified inverter-based Generating Facility no larger than 10 kW. The form of Interconnection Request and the process for evaluating a request to interconnect such a Generating Facility are set forth in Appendix 6 to this GIP.

5.2 Timing For Submitting Interconnection Requests

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

SECTION 6. Provisions that Apply to All Interconnection Requests

6.1 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

6.1.1 Notice.

Any notice or request required or permitted to be given by either Party to the other and not required by this GIP to be given in writing may be so given by facsimile or e-mail.

6.2 Disputes

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this GIP 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 resolved in accordance with the Dispute Resolution Procedures set forth in Section 9 of the Tariff.

6.3 Interconnection Metering

Any metering necessitated by the use of the Generating Facility shall be installed at the Interconnection Customer’s expense in accordance with FERC, state, or local regulatory requirements, the CAISO Tariff or the Distribution Provider’s specifications.

6.4 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 five (5) 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.

6.5 Confidentiality

6.5.1 Confidential Information and/or proprietary information provided by one Party to the other Party should be clearly marked or otherwise designated “Confidential.”

For purposes of this GIP 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.

6.5.2 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 GIP.

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 GIP, or to fulfill legal or regulatory requirements.

6.5.2.1 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.

6.5.2.2 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.

6.5.3 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 GIP, 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 GIP prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this GIP when it is notified by FERC that a request to release Confidential Information has been received from 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.

6.6 Comparability

The Distribution Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this GIP. 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.

6.7 Record Retention

The Distribution Provider shall maintain for three (3) years records, subject to audit, of all Interconnection Requests received under this GIP, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests.

6.8 Generator Interconnection Agreement

This Section applies to all Interconnection Requests except as described in Section 2 above (Fast Track Process).

6.8.1 Tender.

The Distribution Provider shall tender a draft GIA, together with draft appendices, within thirty (30) Calendar Days of the following: (i) after the Distribution Provider provides the final Interconnection Facilities Study report (or Interconnection

Facilities Study Results Meeting if held); or (ii) after the Distribution Provider provides the final Interconnection System Impact Study report (or Interconnection System Impact Study Results Meeting if held) if the Interconnection Facilities Study is waived; or (iii) after the Distribution Provider provides the final Phase II Study report (or Phase II Study Results Meeting if held).

The Distribution Provider shall tender a draft GIA, together with draft appendices. The draft GIA shall be in the form of Distribution Provider's FERC-approved form GIAs, which are in Attachments E (SGIA) and G (LGIA) to the Tariff. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices within thirty (30) Calendar Days.

6.8.1.1 Rule 21 Interconnection Requests and One-Time Election of WDAT GIA

Interconnection Customers with Interconnection Requests originally submitted under Rule 21 may elect a Wholesale Distribution Open Access Tariff ("WDAT") GIA by notifying the Distribution Provider in writing after completion of the study process but no later than seven (7) Calendar Days after completion of the ninety (90) Calendar Day negotiation period pursuant to Rule 21, Section F.2.e or Rule 21, Section F.3.e, or after notice period pursuant to Rule 21, Section 3.3.3 of the Fast Track Interconnection Agreement (Form 117-2160) or applicable study agreement under the Rule 21 detailed study interconnection review process. On the date the WDAT GIA is executed by the Interconnection Customer and Distribution Provider, jurisdiction over the Interconnection Service reverts to the FERC, except as otherwise provided in the WDAT GIA.

6.8.1.2 Rule 21 Interconnection Requests under the Transmission Cluster Study Process

Interconnection Requests originally submitted under Rule 21 that fail Rule 21, Section G.3.a (Screen Q) or elect to be studied under the Transmission Cluster Study Process must file an Interconnection Request under the WDAT Cluster Study Process pursuant to Rule 21, Section F.3.c. Upon completion of the Cluster Study Process, an eligible Interconnection Customer may make a one-time election to opt for a Rule 21 GIA by notifying the Distribution Provider in writing no later than seven (7) Calendar Days after the Distribution Provider provides the final Phase II Interconnection Study report to the Interconnection Customer. The draft Rule 21 GIA shall be in the form of Distribution Provider's CPUC approved form Rule 21 GIA. On the date the Rule 21 GIA is executed by the Interconnection Customer and Distribution Provider, jurisdiction over the Interconnection Service reverts to the CPUC, except as otherwise provided in the Rule 21 GIA.

6.8.2 Negotiation.

Notwithstanding Section 6.8.1 above, 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) or Phase II 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 Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived) or Phase II Study report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft GIA pursuant to Section 6.8.1 above, and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to Section 6.2 of this GIP. 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) or Phase II Study report, fails to request either the filing of the unexecuted GIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to Section 6.2 of this GIP 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) or Phase II Study report, it shall be deemed to have withdrawn its Interconnection Request.

6.8.3 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, 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.

6.9 Commencement of Interconnection Activities

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

unexecuted GIA, subject to modification by FERC.

6.10 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.

6.11 Internet Posting

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

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

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

6.12 Record Retention

The Distribution Provider shall maintain for three (3) 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.

6.13 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 this GIP. 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.

6.14 Proposed Commercial Operation Date

The proposed Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility shall not exceed seven (7) years from the date the Interconnection Request is received by Distribution Provider, unless Interconnection Customer demonstrates and the Distribution Provider agrees, such agreement not to be unreasonably withheld, that engineering, permitting and construction of the new Generating Facility or increase in capacity of the existing Generating Facility will take longer than the seven (7) year period. For Interconnection Requests in Queue Cluster 7 and subsequent Queue Clusters, the Distribution Provider's agreement to an extension of the proposed Commercial Operation Date does not relieve the Interconnection Customer from compliance with the requirements of any of the criteria in Section 4.6.13.1 of this GIP for retention of TP Deliverability.

6.15 Local Furnishing Bonds

6.15.1 Distribution Providers That Own Facilities Financed by Local Furnishing Bonds.

This Section is applicable only to a Distribution Provider that has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of the GIA and GIP, Distribution Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to the GIA and this GIP if the provision of such Distribution Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Distribution Provider's facilities that would be used in providing such Interconnection Service.

6.15.2 Alternative Procedures for Requesting Interconnection Service.

Distribution Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

6.16 Capacity of the Generating Facility

6.16.1 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.

6.16.2 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.

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

SECTION 7. General Provisions for the Engineering & Procurement ("E&P") Agreement
Prior to executing a GIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and Distribution Provider shall offer the Interconnection Customer, an E&P Agreement that authorizes Distribution Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, Distribution Provider shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of this 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 8. General Provisions Concerning Construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades. General Provisions Concerning Funding of Network Upgrades

This Section 8 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.

8.1 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 Network Upgrades.

8.2 Construction Sequencing

8.2.1 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.

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

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

- 8.2.2.1 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
- 8.2.2.2 the Network Upgrades will not otherwise be completed in time to support the Interconnection Customer's In-Service Date because construction has not commenced in accordance with the terms of

such GIA (or its equivalent predecessor agreement); and

- 8.2.2.3 the Distribution Provider, in coordination with the CAISO, determines that the Network Upgrades remain needed to support the interconnection of the Interconnection Customer's Generating Facility notwithstanding, as applicable, the absence or delay of the Generating Facility that is contractually, or was previously contractually, associated with the Network Upgrades.

Where the Distribution Provider is constructing Area Delivery Network Upgrades for Option (B) Interconnection Customers and either: Sections 8.2.2.1 or 8.2.2.2 above occurs, the Distribution Provider shall continue to construct such Area Delivery Network Upgrades with financing provided from the Interconnection Financial Security of those Option (B) Interconnection Customers' in the same Group Study, with any additional financing requirements to be reapportioned among those remaining Option (B) Interconnection Customers in the same Group Study who still need the Area Delivery Network Upgrades to achieve Full Capacity Deliverability Status or Partial Capacity Deliverability Status. In no case will the Distribution Provider become financially responsible for Area Delivery Network Upgrades required for Option (B) Interconnection Customers.

Further, to the extent the timing of such Network Upgrades was not accounted for in determining a reasonable Commercial Operation Date among the Distribution Provider, CAISO, and the Interconnection Customer as part of the Phase II Interconnection Studies, 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 Section 8.2.2 shall be in addition to the Interconnection Customer's cost responsibility assigned under the applicable Interconnection Studies.

8.2.3 Advancing Construction of Distribution Upgrades and Network Upgrades that are Part of an Expansion Plan of the Distribution Provider.

An Interconnection Customer with a GIA, in order to maintain its In-Service Date, may request that Distribution Provider advance to the extent necessary the completion of Distribution Upgrades and Network Upgrades that: (i) are necessary to support such In-Service Date, and (ii) would otherwise not be completed, pursuant to an expansion plan of Distribution Provider or approved CAISO 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.

8.3 Network Upgrades

8.3.1 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.

8.3.1.1 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.

8.3.1.2 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 MW electrical output of each new Generating Facility or the amount of MW increase in the generating capacity of each existing Generating Facility as listed the Generating Facility's Interconnection Request to the aggregate maximum MW 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.

- 8.3.1.3 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 interconnection procedures of the CAISO Tariff. 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.

**ATTACHMENT 1
TO GIP**

Glossary of Terms

Attachment 1 TO GIP

Glossary of Terms

10 kW Inverter Process shall mean 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 Appendix 6 to the GIP .

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

Affected System shall mean an electric system other than the Distribution Provider's Distribution System that may be affected by the proposed interconnection.

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

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

Annual Full Capacity Deliverability Study shall mean the annual deliverability study performed by the CAISO described in Section 4.7.1 of the GIP, under which a Generating Facility previously studied as Energy-Only Deliverability Status will have an option to determine whether it can be designated for Full Capacity Deliverability Status or Partial Capacity Deliverability Status using available transmission capacity.

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

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

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Distribution System to which the Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.

Area Deliverability Constraint shall mean a Transmission System operating limit that either (a) would constrain the deliverability of a substantial number of generators if the CAISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to additional

generating facilities in one or more specified geographic or electrical areas of the CAISO Grid in a total amount that is greater than the TP Deliverability for those areas; (b) constrains a quantity of generation in a local area of the grid that is larger than the generation amount identified in the applicable Transmission Planning Process portfolio for the entire portfolio area; or (c) constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

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

Base Case shall mean data including, but not limited to, base power flow, short circuit and stability data bases, underlying load, generation, and transmission facility assumptions, contingency lists, including relevant special protection systems, and transmission diagrams used to perform the Interconnection Studies. The Base Case may include Critical Energy Infrastructure Information (as that term is defined by FERC). The Base Case shall include transmission facilities as approved by the Distribution Provider or CAISO, 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 CAISO 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 CAISO Grid, but are subject to a fully executed GIA (or its equivalent predecessor agreement) or for which an unexecuted GIA (or its equivalent predecessor agreement) has been requested to be filed with FERC.

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

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

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

CAISO 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.

CAISO Grid shall mean the system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the CAISO's Operational Control.

CAISO Tariff shall mean the California Independent System Operator Corporation Operating Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time.

CAISO Tariff Generator Interconnection Procedures (GIP) or CAISO's Generator Interconnection and Deliverability Allocation Procedures (GIDAP) shall mean the interconnection procedures included in the CAISO Tariff, or any successor interconnection procedures, as applicable, to interconnect a Generating Facility directly to the CAISO Grid, as such procedures may be modified from time to time, and accepted by the Commission.

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 Section 4.1 of the GIP.

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

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.

Customer Options Meeting shall mean a meeting between the Interconnection Customer and 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 pursuant to Section 2.6 of the GIP.

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

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

Deliverability shall mean the annual Net Qualifying Capacity (as defined in the CAISO Tariff) of a Generating Facility, as verified through a Deliverability Assessment and measured in MW, which specifies the amount of resource adequacy capacity the Generating Facility is eligible to provide.

Deliverability Assessment(s) shall mean an evaluation performed by the CAISO pursuant to the CAISO's On-Peak Deliverability Assessment posted on the CAISO's website, to determine if a Generating Facility or a group of Generating Facilities could provide energy to the CAISO Grid

and be delivered to the aggregate of load on the CAISO Grid at peak load, under a variety of severely stressed conditions as further described in Section 4.5.4.2 of the GIP.

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

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

Distribution Owner shall mean 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 GIA to the extent necessary.

Distribution Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission 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 shall mean those non-CAISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide distribution service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Distribution Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the service necessary to affect 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 unless 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 Section 3.1 of the GIP used to determine eligibility for the Independent Study Process.

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

Fast Track Process shall mean the interconnection study process set forth in Section 2 of the GIP.

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

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

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

Generating Facility shall mean the Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities. A Generating Facility is one that has maximum capacity of 20 MW or less.

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 E to this Tariff, unless the proposed interconnection is for a generating facility larger than 20 MW, in which case references to GIA are to the Large Generator Interconnection Agreement (LGIA), which is Attachment G to this Tariff. For an Interconnection Customer who chooses a state-jurisdictional GIA pursuant to GIP Section 6.8.1.2, the pro forma version will be the CPUC-approved form Rule 21 GIA.

Generator Interconnection Study Process Agreement shall mean the agreement entered into by the Interconnection Customer and the Distribution Provider which sets forth the Parties'

agreement to perform Interconnection Studies under the Cluster Study Process, a pro forma version of which is set forth in Appendix 5 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 Section 3 of the GIP.

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

Initial Review shall mean the review by Distribution Provider utilizing screens set forth in Section 2.5 of this GIP to determine if the Generating Facility qualifies for Fast Track Interconnection.

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

Interconnection Customer shall mean any entity, including the Distribution Provider, 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 shall mean the Distribution Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades 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 Section 3.6 of the GIP.

Interconnection Financial Security shall mean any of the financial instruments listed in Sections 3.11 and 4.8 of the GIP.

Interconnection Handbook shall mean a handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. Distribution Provider's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and Applicable Reliability Standards. In the event of a conflict between the terms of the GIP and the terms of the Distribution Provider's Interconnection Handbook, the terms in the GIP shall govern.

Interconnection Request shall mean the Interconnection Customer's request, in accordance with the Tariff and the CAISO 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 3.2.1 or 4.2.1 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 Section 3.5.1 of the GIP.

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

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

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

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

Material Modification shall mean 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 CAISO 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, MW-hour-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

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

Network Upgrades shall mean 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

4.5.4.2.1 of the GIP.

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

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

Party or Parties shall mean 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, CAISO Grid and, if applicable, an Affected System. The portion of the study required to evaluate the impacts on the CAISO Grid will be directed by the CAISO and will be completed in a manner consistent with the interconnection procedures of the CAISO Tariff. 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 this GIP and in the interconnection procedures of the CAISO Tariff. 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 CAISO Grid will be directed by the CAISO and will be completed in a manner consistent with the interconnection procedures of the CAISO Tariff.

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

Point of Interconnection shall mean 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 & Procurement Agreement under Section 7 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.

President's Critical Infrastructure Protection Board shall mean the federal critical infrastructure protection board created by Executive Order 13231 on October 16, 2001 which is charged with recommending policies and coordinating programs for protecting information systems for critical infrastructure. Critical infrastructure, as defined in the Patriot Act of 2001, means systems and assets, whether physical or virtual, so vital to the United States that the incapacity or destruction of such systems and assets would have a debilitating impact on security, national economic security, national public health or safety, or any combination of those matters.

Queue Clusters shall mean a set of Interconnection Requests processed in an Interconnection Study Cycle pursuant to the interconnection procedures of the CAISO Tariff other than pursuant to the Fast Track Process or the Independent Study Process set forth in the interconnection procedures of the CAISO Tariff.

Queue Position shall mean 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 CAISO Grid, necessary to interconnect one or more Generating Facility(ies) safely and reliably to the CAISO Grid, which would not have been necessary but for the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which system operating limits cannot be adequately mitigated through the CAISO'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 CAISO and other Affected System Operators to discuss the results of the Interconnection Studies as set forth in the GIP.

Rule 21 shall mean Distribution Provider's state-jurisdictional Electric Tariff Rule 21.

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

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

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

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

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

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.

Supplemental Review shall mean a request by an Interconnection Customer for the Distribution Provider to conduct a review pursuant to Section 2.7 of the GIP.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect: (1) the Distribution Provider's Distribution System, the CAISO Controlled Grid, and Affected Systems from faults or other electrical disturbances occurring at the Generating Facility; and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Distribution Provider's Distribution System,

the CAISO 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 shall mean the Distribution Provider's Wholesale Distribution Open Access 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.

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

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

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

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

Upgrades shall mean 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.

APPENDIX 1 to the GIP

GENERATING FACILITY INTERCONNECTION REQUEST FORM

**APPENDIX 1 to the GIP
INTERCONNECTION REQUEST FOR A
GENERATING FACILITY**

Provide two copies of this completed form pursuant to GIP Appendix 1 Section 7 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.
 - Annual Deliverability Assessment pursuant to GIP Section 4.7

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 Deliverability 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 3.7)
 - 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 1) of the proposed new Generating Facility or the amount of net megawatt increase in the generating capacity of an existing Generating Facility (Note: All “MW” references in this Attachment shall be alternating current (AC) only unless otherwise noted):

• 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)
- Solar _____ (MW)

- Photovoltaic Crystalline

- Concentrated Solar PV

- Thin Film

- Solar-Thermal

- Other: _____

- Installation Type: Ground Pole Rooftop

Other

- Tracking: N/A 1-Axis

2-Axis

- Combined Cycle _____ (MW)

- Other _____ (MW)

Please describe Other above:

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

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

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

e. Name, address, telephone number, and e-mail address of the Interconnection Customer's contact person (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 distribution facility interconnection point name, voltage level, and the location of interconnection);

g. Interconnection Customer Generating Facility Data (set forth in Attachment A).

The Interconnection Customer shall provide to the Distribution Provider the technical data called for in GIP Attachment A to Appendix 1. Two (2) copies are required.

5. Applicable deposit amount as specified in the GIP made payable to San Diego Gas & Electric Company. Please DO NOT include any checks/monies with this Interconnection Request! Upon receipt of your Interconnection Request, Distribution Provider will send a separate invoice for the applicable processing fee. Any checks/monies submitted with an Interconnection Request will be returned to the sender and may result in delaying the application process.

Please send the following separate from any required deposit amounts.

- a. Appendix 1 to GIP (Interconnection Request) for processing.
- b. Attachment A to Appendix 1 (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:

San Diego Gas and Electric Company
Attention: Customer Generation
8316 Century Park Court CP52F
San Diego, CA 92123-1582
Telephone Number: 858-636-5581
Fax: 619-819-4448
E-Mail Address: WDATGIPAPPLICATIONS@semprautilities.com

8. Representative of the Interconnection Customer to contact:
[To be completed by the Interconnection Customer]

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

9. This Interconnection Request is submitted by:

Legal name of the Interconnection Customer: _____
By (signature): _____
Name (type or print): _____
Title: _____
Date: _____

ATTACHMENT A to GIP APPENDIX 1:
Interconnection Request for a Generating Facility
GENERATING FACILITY DATA

Provide two copies of this completed form pursuant to Appendix 1 Section 7 of Interconnection Request.

Each Interconnection Customer will complete Sections 1 and 2 of this Attachment A.

Each Interconnection Customer will complete the applicable data in Sections 3 through 6 of this Attachment A based on the type of generating facility(ies) requesting interconnection. (Section 3 for synchronous generators, Section 4 for induction generators, Section 5 for wind turbine generators, and Section 6 for inverter-based generators).

Each Interconnection Customer will complete Sections 7 through 10, as applicable.

At any time, Distribution Provider may require Interconnection Customer to provide additional technical data, or additional documentation supporting the technical data provided, as deemed necessary by the Distribution Provider to perform Interconnection Studies, other studies, or evaluations as set forth under the GIP.

1. Provide two original prints (11”x17” size ONLY, no substitutes) and one reproducible copy of the following:

- A. Site drawing to scale, showing generator location and Point of Interconnection with the Distribution Provider’s Distribution System.
- B. Single-line diagram showing applicable equipment such as generating units, step-up transformers, auxiliary transformers, switches/disconnects of the proposed interconnection, including the required System Protection Facilities and circuit breakers. For wind and photovoltaic generator projects, 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 Distribution Provider’s Distribution System. This one-line drawing must be signed and stamped by a licensed Professional Engineer if the Generating Facility is larger than 50 kW.

2. Generating Facility General Information:

- A. Total Generating Facility rated output (MW): _____
- B. Generating Facility auxiliary Load (MW): _____
- C. Project net capacity (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. Type (induction, synchronous, D.C. with inverter): _____

H. Phase (3 phase or single phase): _____

3. Synchronous Generator –Information:

3A. Generator Information:

(Please repeat the following for each generator)

A. Manufacturer: _____

B. Year Manufactured: _____

C. Rated Generator speed (rpm): _____

D. Rated MVA: _____

E. Rated Terminal Voltage (kV): _____

F. Rated Generator Power Factor: _____

G. Generator Efficiency at Rated Load (%): _____

H. Moment of Inertia (including prime mover): _____

I. Inertia Time Constant (on machine base) H: _____ sec or MJ/MVA

J. 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): _____

K. Please attach generator reactive capability curves.

L. Rated Hydrogen Cooling Pressure in psig (Steam Units only):

M. Please attach a plot of generator terminal voltage versus field current that shows the air gap line, the open-circuit saturation curve, and the saturation curve at full load and rated power factor.

3B. Excitation System Information:

(Please repeat the following for each generator)

A. Indicate the Manufacturer _____ and Type _____ of excitation system used for the generator. For exciter type, please choose from 1 to 9 below or describe the specific excitation system.

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

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

C. Excitation system response ratio (ASA): _____

D. Full load rated exciter output voltage: _____

E. Maximum exciter output voltage (ceiling voltage): _____

F. Other comments regarding the excitation system?

3C. Power System Stabilizer (PSS) Information (if applicable):

(Please repeat the following for each generator)

A. Manufacturer: _____

B. Is the PSS digital or analog? _____

C. Note the input signal source for the PSS:

Bus frequency _____ Shaft speed _____

Bus Voltage _____ Other (specify source) _____

D. Please attach a copy of a block diagram of the PSS from the PSS Instruction Manual and the correspondence between dial settings and the time constants or PSS gain.

E. Other comments regarding the PSS?

3D. Turbine-Governor Information:

(Please repeat the following for each generator)

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

A. Steam, gas or combined-cycle turbines:

(1) List type of unit (Steam, Gas, or Combined-cycle): _____

(2) If steam or combined-cycle, does the turbine system have a reheat process (i.e., both high and low pressure turbines)? _____

(3) If steam with reheat process, or if combined-cycle, indicate in the space provided, the percent of full load power produced by each turbine:

Low pressure turbine or gas turbine: _____%

High pressure turbine or steam turbine: _____%

(4) For combined cycle plants, specify the plant net output capacity (MW) for an outage of the steam turbine or an outage of a single combustion turbine: _____

B. Hydro turbines:

- (1) Turbine efficiency at rated load: _____%
- (2) Length of penstock: _____ft
- (3) Average cross-sectional area of the penstock: _____ft²
- (4) Typical maximum head (vertical distance from the bottom of the penstock, at the gate, to the water level): _____ft
- (5) Is the water supply run-of-the-river or reservoir: _____
- (6) Water flow rate at the typical maximum head: _____ft³/sec
- (7) Average energy rate: _____kW-hrs/acre-ft
- (8) Estimated yearly energy production: _____kW-hrs

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

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

3E. Short Circuit Duty Information:

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

- X_d – Direct Axis Synchronous Reactance: _____ p.u.
- X'_d – Direct Axis Transient Reactance: _____ p.u.
- X''_d – Direct Axis Subtransient Reactance: _____ p.u.
- R_2 – Negative Sequence Resistance: _____ p.u.
- X_2 – Negative Sequence Reactance: _____ p.u.
- R_1 – Positive Sequence Resistance: _____ p.u.
- X_1 – Positive Sequence Reactance: _____ p.u.
- R_0 – Zero Sequence Resistance: _____ p.u.
- X_0 – Zero Sequence Reactance: _____ p.u.

Generator Grounding (select one for each model):

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

4. Induction Generator Information:

(Please repeat the following for each generator)

- A. Motoring Power (kW): _____
- B. I_2^2t or K (Heating Time Constant): _____
- C. Rotor Resistance, (R_r): _____ ohms
- D. Stator Resistance, (R_s): _____ ohms
- E. Stator Reactance, (X_s): _____ ohms
- F. Rotor Reactance, (X_r): _____ ohms
- G. Magnetizing Reactance, (X_m): _____ ohms
- H. Short Circuit Reactance, (X_d''): _____ ohms
- I. Exciting Current: _____

J. Temperature Rise (deg C⁰): _____

K. Frame Size: _____

L. Design Letter: _____

M. Reactive Power Required (No Load): _____ Vars

N. Reactive Power Required (Full Load): _____ Vars

O. Total Rotating Inertia, H: _____ p.u. on kVA Base

5. Wind Turbine Generator (WTG) Information:

(Proposed projects may include one or more WTG types. Please repeat the following for each type of WTG).

A. WTG Manufacturer and Model: _____

B. Number of WTGs: _____

C. WTG Type (check one):

____ Type 1 (Squirrel-cage induction generator)

____ Type 2 (Wound rotor induction machine with variable rotor resistance)

____ Type 3 (Doubly-fed asynchronous generator)

____ Type 4 (Full converter interface)

D. Nameplate Rating (each WTG): _____/_____ kW/kVA

E. Rated Terminal Voltage: _____ kV

F. For Type 1 or Type 2 WTGs:

(1) uncompensated power factor at full load: _____

(2) power factor correction capacitors at full load: _____ MVAR

(3) number of shunt stages and size: _____

(4) Please attach capability curve describing reactive power or power factor range from no output to full rated output, including the effect of shunt compensation.

G. For Type 3 or Type 4 WTGs:

- (1) Maximum under-excited power factor at full load: _____
- (2) Maximum over-excited power factor at full load: _____
- (3) Control mode: _____ (voltage control, fixed power factor)
- (4) Please attach capability curve describing reactive power or power factor range from no output to full rated output.

H. Short Circuit Characteristics: Applicant to provide technical data related to the short circuit characteristics of proposed WTGs for short circuit duty study modeling purposes. For example, the applicant can provide manufacturer short circuit test data showing faulted condition for three phase and single-line-to-ground fault.

Distribution Provider may require testing verification of voltage and harmonic performance during commissioning test of WTG based generation projects.

6. Inverter Based Generation Systems Information:

The Distribution Provider may require inverter-based equipment to provide a range of grid support functions and associated communications interface, as deemed necessary by the Provider. Typical inverter functions that may be required include but not limited to the following:

- I. Interaction with Distribution Provider (Response to commands from Distribution Provider)
 - i. Real-time power production on demand (kW and kVars)
 - ii. For renewable Distributed Energy Resources (DER), limit power output or disconnect when directed
 - iii. Real-time voltage regulation per direction from utility
 - iv. Real-time P.F. (reactive power) operation per direction from utility
 - v. Operating status reporting from specific DER to utility when requested
 - vi. Real-time DER management by CAISO Automatic Generation Control (AGC) mechanisms when directed
- II. Autonomous Reactions (Use of pre-set modes and schedules to direct local operation)
 - i. Local voltage regulation within pre-set limits
 - a. Normal conditions voltage regulation

- b. Sudden voltage change regulation
 - ii. Local load following or renewable DER smoothing using pre-set mode
 - iii. Low voltage ride through for certain conditions in excess of IEEE1547 limits
 - iv. Pre-set response to voltage anomalies related to fault ride-through conditions
 - v. Pre-set response to frequency disturbances
 - vi. Disconnect from the utility grid for pre-defined conditions
 - vii. Operation in compliance with pre-defined schedules
 - viii. Event / history logging

Proposed inverter based generation projects may include one or more types of inverters.

(Please repeat the following for each type of inverter)

- A. Inverter Manufacturer and Model: _____
- B. Number of Inverters: _____
- C. Nameplate Rating (AC, each inverter): _____/_____ kW
- D. Nameplate Voltage Rating (AC): _____ kV and Voltage output range: _____ VAC to _____ VAC
- E. Maximum AC line current: _____ Amps
- F. Individual Generator Power Factor
Rated Power Factor: Leading: _____ Lagging: _____
- G. Please attach capability curve describing reactive power or power factor range from no output to full rated output
- H. Inverter control mode (e.g. voltage, power factor, reactive power): _____
- I. Short Circuit Characteristics: Applicant to provide equivalent impedance to use for short circuit modeling: _____ p.u.
- J. Harmonics Characteristics:
 - (1) Inverter switching frequency: _____
 - (2) Harmonic characteristics for each unit up to switching frequency: _____

(3) Harmonic characteristics for aggregate generation facility: _____

K. Maximum Ramp-up Rate: _____% generation capacity per minute

Distribution Provider may require testing verification of voltage and harmonic performance during commissioning test of the inverter based generation systems.

7. Step-Up Transformer Data:

For each step-up transformer (e.g. main step-up transformers, padmount transformers), fill out the data form provided in Table 1. Applicant shall attach a copy of fuse manufacturer's minimum melt and total clearing Time-Current curves.

Manufacturer: _____ Type: _____ Size: _____

8. Line Data:

For distribution lines that are to be planned by the generation developer, please provide the following information:

Nominal Voltage (High Side): _____ kV

Line Length (miles): _____

Conductor Type: _____ Size: _____

Positive Sequence Resistance (R_1): _____ p.u.** (for entire line length)

Positive Sequence Reactance: (X_1): _____ p.u.** (for entire line length)

Zero Sequence Resistance (R_0): _____ p.u.** (for entire line length)

Zero Sequence Reactance: (X_0): _____ p.u.** (for entire line length)

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

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

9. Model Data:

For Synchronous base generation, Applicant shall provide block diagrams for the governor, exciter, and mechanical drive and associated parameters. For inverter base generation, Applicant shall provide voltage control block diagram with parameters (i.e. time constants, gain and dead band settings).

TABLE 1
 TRANSFORMER DATA
 (Provide for each level of transformation)

UNIT _____
 NUMBER OF TRANSFORMERS _____ PHASE _____

RATING	H Winding	X Winding	Y Winding
Rated MVA	_____	_____	_____
Connection (Delta, Wye, Gnd.)	_____	_____	_____
Cooling Type (OA,OA/FA, etc) :	_____	_____	_____
Temperature Rise Rating	_____	_____	_____
Rated Voltage	_____	_____	_____
BIL	_____	_____	_____
Available Taps (% of rating)	_____	_____	_____
Load Tap Changer? (Y or N)	_____	_____	_____
Tap Settings	_____	_____	_____
IMPEDANCE	H-X	H-Y	X-Y
	_____	_____	_____

Percent			
MVA Base	_____	_____	_____
Tested Taps	_____	_____	_____
WINDING RESISTANCE	H	X	Y
Ohms	_____	_____	_____

CURRENT TRANSFORMER RATIOS

H _____ X _____ Y _____ N _____

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

APPENDIX 2 to the GIP

CERTIFICATION CODES AND STANDARDS

APPENDIX 2 to the GIP
CERTIFICATION CODES AND STANDARDS
(as may be updated from time to time)

- 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

APPENDIX 3 to the GIP

CERTIFICATION OF GENERATOR EQUIPMENT PACKAGES

APPENDIX 3 to the GIP

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 Appendix 2 of the GIP as may be updated or revised from time to time, (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.

APPENDIX 4 to the GIP

**GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT
INDEPENDENT STUDY PROCESS**

**APPENDIX 4 to the GIP
GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT
INDEPENDENT STUDY PROCESS**

THIS INDEPENDENT STUDY PROCESS STUDY AGREEMENT (“AGREEMENT”) is made and entered into this ___ day of 20___ by and between, _____ organized and existing under the laws of the State of _____, (“Interconnection Customer”) and _____ a corporation existing under the laws of the State of _____, (“Distribution Provider”). Interconnection Customer and Distribution Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

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

WHEREAS, Interconnection Customer desires to interconnect the Generating Facility with the Distribution System pursuant to the Independent Study Process; and

WHEREAS, the Interconnection Customer has requested Distribution Provider to perform Interconnection Studies to assess the system impact of interconnecting the Generating Facility to the Distribution System, and any Affected Systems and to specify and estimate the cost of the equipment, engineering, procurement and construction work needed on the Distribution Provider’s electric system to physically and electrically connect the Generating Facility to the Distribution Provider’s Distribution System in accordance with Good Utility Practice;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties 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 consistent with the GIP.
- 3.0 The scope of the Interconnection Studies shall be subject to the assumptions set forth in Attachments A and B to this Agreement.
- 4.0 The Interconnection Studies will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting, subject to any modifications in accordance with GIP Section 3.5.8. 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 3.11 on or before sixty (60) Calendar Days after being provided with the final Interconnection System Impact Study report.
- 7.0 Upon completion of the Interconnection Studies, Distribution Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies.
- 8.0 The Distribution Provider may provide copies of the Interconnection Studies results to the CAISO, 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, if applicable, may arrive at any time prior to interconnection.
- 9.0 Substantial portions of technical data and assumptions used to perform the Interconnection Studies, such as system conditions, existing and planned generation, and unit modeling, may change after the Distribution Provider provides the Interconnection Studies results to the Interconnection Customer. Interconnection Studies results will reflect available data at the time the Distribution Provider provides the Interconnection Study reports to the Interconnection Customer. The Distribution Provider shall not be responsible for any additional costs, including, without limitation, costs of new or additional facilities, system upgrades, or schedule changes, that may be incurred by the Interconnection Customer as a result of changes in such data and assumptions.
- 10.0 The Distribution Provider shall maintain records and accounts of all costs incurred in performing the Interconnection Studies in sufficient detail to allow verification of all costs incurred, including associated overheads. The Interconnection Customer shall have the right, upon reasonable notice, within a reasonable time at the Distribution Provider's offices and at its own expense, to audit the Distribution Provider's records as necessary and as appropriate in order to verify costs incurred by the Distribution Provider. Any audit requested by the Interconnection Customer shall be completed, and written notice of any audit dispute provided to the Distribution Provider, within one hundred eighty (180) Calendar Days following receipt by the Interconnection Customer of the Distribution Provider's notification of the final costs of the Interconnection Studies.
- 11.0 In accordance with Section 1.10 of the GIP, the Interconnection Customer may withdraw its Interconnection Request at any time by written notice to the Distribution Provider. Upon receipt of such notice, this Agreement shall terminate,

subject to the requirements of Sections 4.2.1 and 6.5 of the GIP.

12.0 This Agreement shall become effective upon the date the fully executed Agreement is received by the Distribution Provider. If the Distribution Provider does not receive the fully executed Agreement pursuant to Section 4.4 of the GIP, then the Interconnection Request will be deemed withdrawn upon the Interconnection Customer's receipt of written notice by the Distribution Provider pursuant to Section 1.10 of the GIP.

13.0 Miscellaneous.

13.1 Dispute Resolution.

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

13.2 Confidentiality. Confidential Information shall be treated in accordance with Section 6.5 of the GIP.

13.3 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

13.4 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.

13.5 Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article,

Section or Appendix means such Article or Section of this Agreement or such Appendix to this Agreement, or such Section of the GIP or such Appendix to the GIP, as the case may be; (6) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article Section, or other provision hereof or thereof; (7) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

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

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

- 13.9 Headings. The descriptive headings of the various Articles and Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 13.10 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and

the same instrument.

- 13.11 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by both of the Parties.
- 13.12 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this Agreement by a written instrument duly executed by both of the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all applicable laws and regulations.
- 13.13 Reservation of Rights. The Distribution Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.
- 13.14 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.
- 13.15 Assignment. This Agreement may be assigned by a Party only with the written consent of the other Party; provided that a Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that the Interconnection Customer shall have the right to assign this Agreement, without the consent of the other Party, for collateral security purposes to aid in providing financing for the Generating Facility, provided that the Interconnection Customer will require any secured party, trustee or mortgagee to notify the other Party of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this Section will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured

creditor, the trustee or mortgagee will notify the other Party of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

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

[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____
Printed Name: _____
Title: _____
Date: _____

By: _____
Printed Name: _____
Title: _____
Date: _____

[Insert name of Interconnection Customer]

By: _____
Printed Name: _____
Title: _____
Date: _____

ATTACHMENT A
Independent Study Process Study Agreement

**ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION SYSTEM IMPACT STUDY**

The Interconnection System Impact Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on _____, subject to any modifications in accordance with GIP Section 4.5.7.2, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

Deliverability Status requested (Full Capacity or Energy-Only)_____

ATTACHMENT B
Independent Study Process Study Agreement

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

1. Generating Facility size (MW): _____
2. Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.
3. One set of metering is required for each generation connection to the new ring bus or existing Distribution Provider station. Number of generation connections: _____
4. On the one line diagram indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)
5. 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 _____

6. 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)
7. What type of control system or PLC will be located at Interconnection Customer's Generating Facility?

8. What protocol does the control system or PLC use?

9. Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.
10. Physical dimensions of the proposed interconnection station:

11. Bus length from generation to interconnection station:

12. Line length from interconnection station to Distribution Provider's transmission line:

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

14. Number of third party easements required for transmission lines*:

* To be completed in coordination with Distribution Provider.

15. Is the Generating Facility in the Distribution Provider's service area?
Yes _____ No _____ Local provider: _____

16. 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 receives back feed power Date: _____

- Generation Testing Date: _____
- Commercial Operation Date: _____

17. Level of CAISO Grid Deliverability. Choose one of the following:

_____ Energy-Only

_____ Full Capacity

APPENDIX 5 to the GIP

**GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT
CLUSTER STUDY PROCESS**

**APPENDIX 5 to the GIP
GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT
CLUSTER STUDY PROCESS**

THIS CLUSTER STUDY PROCESS STUDY AGREEMENT (“AGREEMENT”) is made and entered into this day of, 20__ by and between _____, organized and existing under the laws of the State of _____, (“Interconnection Customer”) and _____ a corporation existing under the laws of the State of _____, (“Distribution Provider”). Interconnection Customer and Distribution Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

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

WHEREAS, Interconnection Customer desires to interconnect the Generating Facility with the Distribution System pursuant to the Cluster Study Process; and

WHEREAS, the Interconnection Customer has requested Distribution Provider to perform Interconnection Studies to assess the system impact of interconnecting the Generating Facility to the Distribution System, and any Affected Systems and to specify and estimate the cost of the equipment, engineering, procurement and construction work needed on the Distribution Provider’s electric system to physically and electrically connect the Generating Facility to the Distribution Provider’s Distribution System in accordance with Good Utility Practice;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties 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 consistent with Section 4 of the GIP.
- 3.0 The scope of the Interconnection Studies shall be subject to the assumptions set forth in Attachments A and B to this Agreement.
- 4.0 The Interconnection Studies will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting, subject to any modifications in accordance with GIP Section 4.5.7.2, 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 Section 4.8.2 of the GIP on or before ninety (90) Calendar Days after being provided with the final Phase I Interconnection Study report.
- 7.0 Upon completion of the Interconnection Studies, Distribution Provider shall charge and Interconnection Customer shall pay its pro rata share of the actual costs of the Interconnection Study.
- 8.0 The Distribution Provider may provide copies of the Interconnection Studies results to the CAISO, an Affected System Operator and the Western Electricity Coordinating Council. Requests for review and input from any Affected System Operators or the Western Electricity Coordinating Council may arrive at any time prior to interconnection.
- 9.0 Substantial portions of technical data and assumptions used to perform the Interconnection Studies, such as system conditions, existing and planned generation, and unit modeling, may change after the Distribution Provider provides the Interconnection Studies results to the Interconnection Customer. Interconnection Studies results will reflect available data at the time the Distribution Provider provides the Interconnection Study reports to the Interconnection Customer. The Distribution Provider shall not be responsible for any additional costs, for Distribution Provider's Interconnection Facilities and Distribution Upgrades that may be incurred by the Interconnection Customer as a result of changes in such data and assumptions.
- 10.0 The Distribution Provider shall maintain records and accounts of all costs incurred in performing the Interconnection 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.
- 11.0 In accordance with Section 1.10 of the GIP, the Interconnection Customer may withdraw its Interconnection Request at any time by written notice to the Distribution Provider. Upon receipt of such notice, this Agreement shall terminate, subject to the requirements of Sections 4.2.1 and 6.5 of the GIP.
- 12.0 This Agreement shall become effective upon the date the fully executed Agreement is received by the Distribution Provider. If the Distribution Provider does not receive the fully executed Agreement pursuant to Section 4.4 of the GIP, then the Interconnection Request will be deemed withdrawn upon the Interconnection Customer's receipt of written notice by the Distribution Provider pursuant to Section 1.10 of the GIP.
- 13.0 Miscellaneous.
 - 13.1 Dispute Resolution.
 - 13.1.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its

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

- 13.1.2 External Arbitration Procedures. Any arbitration initiated under this Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable FERC regulations; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13.1.2 shall prevail.
- 13.1.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having

jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

- 13.1.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.
- 13.2 Confidentiality. Confidential Information shall be treated in accordance with Section 6.5 of the GIP.
- 13.3 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 13.4 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 13.5 Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Agreement or such Appendix to this Agreement, or such Section of the GIP or such Appendix to the GIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article Section, or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any

period of time, “from” means “from and including,” “to” means “to but excluding” and “through” means “through and including.”

- 13.6 Entire Agreement. This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party’s compliance with its obligations under this Agreement.
- 13.7 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 13.8 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement Termination or Default of this Agreement for any reason by the Interconnection Customer shall not constitute a waiver of the Interconnection Customer’s legal rights to obtain an interconnection from the Distribution Provider. Any waiver of this Agreement shall, if requested, be provided in writing.
- 13.9 Headings. The descriptive headings of the various Articles and Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 13.10 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 13.11 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by both of the Parties.
- 13.12 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this Agreement by a written instrument duly executed by both of the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all applicable laws and regulations.
- 13.13 Reservation of Rights. The Distribution Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under Section 205 or any other applicable provision of the Federal Power Act and FERC’s rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing

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

- 13.14 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.
- 13.15 Assignment. This Agreement may be assigned by a Party only with the written consent of the other Party; provided that a Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that the Interconnection Customer shall have the right to assign this Agreement, without the consent of the other Party, for collateral security purposes to aid in providing financing for the Generating Facility, provided that the Interconnection Customer will require any secured party, trustee or mortgagee to notify the other Party of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this Section will provide that prior to or upon the exercise of the secured Party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the other Party of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

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

[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____
Printed Name: _____
Title: _____
Date: _____

By: _____
Printed Name: _____
Title: _____
Date: _____

[Insert name of Interconnection Customer]

By: _____
Printed Name: _____
Title: _____
Date: _____

ATTACHMENT A
GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT
CLUSTER STUDY PROCESS

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 GIP Section 4.5.7.2, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

Deliverability Status requested (Full Capacity or Energy-Only)_____

**ATTACHMENT B
GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT
CLUSTER STUDY PROCESS**

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

1. Generating Facility size (MW): _____
2. Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.
3. One set of metering is required for each generation connection to the new ring bus or existing Distribution Provider station. Number of generation connections: _____
4. On the one line diagram indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)
5. 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 _____

6. 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)
7. What type of control system or PLC will be located at Interconnection Customer's Generating Facility?

8. What protocol does the control system or PLC use?

9. Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.
10. Physical dimensions of the proposed interconnection station:

11. Bus length from generation to interconnection station:

12. Line length from interconnection station to Distribution Provider's transmission line:

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

14. Number of third party easements required for transmission lines*:

* To be completed in coordination with Distribution Provider.

15. Is the Generating Facility in the Distribution Provider's service area?
Yes _____ No _____ Local provider: _____

16. 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 receives back feed power Date: _____
- Generation Testing Date: _____
- Commercial Operation Date: _____

17. Level of CAISO Grid Deliverability. Choose one of the following:

- _____ Energy-Only
- _____ Full Capacity

APPENDIX 6 to the GIP
10 kW INVERTER PROCESS

**APPENDIX 6 to the GIP
APPLICATION, PROCEDURES, AND TERMS AND CONDITIONS FOR
INTERCONNECTING A CERTIFIED INVERTER-BASED SMALL
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 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 Small 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 Small 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 Small 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 Small Generating Facility is authorized. If the witness test is not satisfactory, the Company has the right to disconnect the Small 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 Small 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 Small Generating Facility
No Larger than 10kW**

This Application is considered complete when it provides all applicable and correct information required below. Additional information to evaluate the Application may be required. Documentation of Site Exclusivity must be submitted with the Interconnection Request in accordance with Section 2.4 of the GIP.

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): _____

Small 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 Small Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Appendices 2 and 3 of the Small Generator Interconnection Procedures (GIP), or the Company has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

List components of the Small 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 Small Generating Facility No Larger than 10kW and return the Certificate of Completion when the Small Generating Facility has been installed.

Signed: _____

By: _____

Title: _____

Date: _____

Approval to Interconnect the Small Generating Facility

(For Company use only)

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

Signed: _____

By: _____

Title: _____

Date: _____

Application ID number: _____

Company waives inspection/witness test? Yes___No___

Small Generating Facility Certificate of Completion

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

Interconnection Customer: _____

Contact Person: _____

Address: _____

Location of the Small 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 Small 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 Small Generating Facility

(For Company use only)

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

Signed: _____

By: _____

Title: _____

Date: _____

Terms and Conditions for Interconnecting an Inverter-Based Small 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 Small 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 Small 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 Small 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 Small 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 Small 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 Small 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 Small Generating Facility.

2.4 The Company has the right to disconnect the Small 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 Small 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 Small 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 Small 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 Small 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.
- 5.5 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.

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 agree to follow all applicable insurance requirements imposed by the state in which the Point of Interconnection is located. All insurance policies must be maintained with insurers authorized to do business in that state.

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 above.

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 Small Generating Facility fails to operate for any consecutive twelve (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 Small 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 Small 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.

APPENDIX 7 to the GIP

INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT

**APPENDIX 7 to the GIP
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 San Diego Gas & Electric Company, a corporation existing under the laws of the State of California, (“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 an Interconnection System Impact Study(ies) 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 Distribution Provider’s FERC-approved GIP.
- 2.0 The Interconnection Customer elects and the Distribution Provider shall cause to be performed an Interconnection System Impact Study(ies) consistent with the standard Generator Interconnection Procedures in accordance with the Wholesale Distribution Open Access 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 may 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 may 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 may 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 Distribution Upgrades and 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 with 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 with 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.

San Diego Gas & Electric Company

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

APPENDIX 8 to the GIP

INTERCONNECTION FACILITIES STUDY AGREEMENT

**APPENDIX 8 to the GIP
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 San Diego Gas & Electric Company, a corporation existing under the laws of the State of California, (“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 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 an Interconnection Facilities Study 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 Distribution 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 Distribution Provider’s FERC-approved GIP.
- 2.0 The Interconnection Customer elects and the Distribution Provider shall cause an Interconnection Facilities Study a facilities study consistent with the standard Generator Interconnection Procedures to be performed in accordance with the Wholesale Distribution Open Access Tariff.
- 3.0 The scope of the Interconnection Facilities Study shall be subject to data provided in Attachment A to this Agreement.
- 4.0 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). The Interconnection 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 Interconnection Facilities Study costs may be required from the Interconnection Customer.
- 7.0 In cases where Upgrades are required, the Interconnection 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 Interconnection Facilities Study report must be completed within forty-five (45) Business Days.
- 8.0 Once the Interconnection Facilities Study is completed, an Interconnection Facilities Study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the Interconnection Facilities Study must be completed and the Interconnection Facilities Study report transmitted within sixty (60) Business Days of the Interconnection Customer's agreement to conduct an Interconnection Facilities Study.
- 9.0 Interconnection Customer may, within thirty (30) Calendar Days after receipt of the draft report, provide written comments to Distribution Provider, which Distribution Provider shall include in the final report. Distribution Provider shall issue the final Interconnection Facilities Study report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Distribution Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Distribution Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Distribution Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 3.6 of the Generator Interconnection Procedures.
- 10.0 Within ten (10) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Distribution Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

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 with 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 with interest.

13.0 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

14.0 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

15.0 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.

16.0 Waiver

16.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

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

17.0 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.

18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

20.0 Subcontractors

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

20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Distribution Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

21.0 Reservation of Rights

The Distribution Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable

provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications.

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.

San Diego Gas & Electric Company

[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 Interconnection Facilities Study Agreement**

1. Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, distribution circuits, etc.
2. On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)
3. On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps
4. 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 ___

5. 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).
6. Physical dimensions of the proposed interconnection station:
7. Bus length from generation to interconnection station:
8. Line length from interconnection station to Distribution Provider's Distribution System.
9. Tower number observed in the field. (Painted on tower leg):**
10. Number of third party easements required for distribution lines:*

*To be completed in coordination with Distribution Provider.

11. Is the Generating Facility located in Distribution Provider's service area?

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

12. 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: _____

