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UNITED STATES  
DEPARTMENT OF ENERGY  
WESTERN AREA POWER ADMINISTRATION  
OPEN ACCESS TRANSMISSION TARIFF

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## WESTERN AREA POWER ADMINISTRATION

### OPEN ACCESS TRANSMISSION TARIFF

#### COMMON SERVICE PROVISIONS

##### 1 Definitions

- 1.1 Affiliate: 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.
- 1.2 Ancillary Services: Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.
- 1.3 Annual Transmission Costs: The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission, pursuant to Federal law.
- 1.4 Application: A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.
- 1.5 Clustering: The process whereby two or more Long-Term Firm Point-to-Point Transmission Service requests are studied together, instead of serially, for the purpose of conducting the System Impact Study in accordance with Section 19 of this Tariff.
- 1.6 Commission: The Federal Energy Regulatory Commission.
- 1.7 Completed Application: An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit and application processing fee.
- 1.8 Control Area: An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:
  - (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);

- (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
  - (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
  - (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.
- 1.9 Curtailment: A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.
- 1.10 Delivering Party: The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.
- 1.11 Designated Agent: Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.
- 1.12 Direct Assignment Facilities: Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer.
- 1.13 Eligible Customer: (i) Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider. (ii) Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.
- 1.14 Facilities Study: An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

- 1.15 Firm Point-To-Point Transmission Service: Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.
- 1.16 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, including those practices required by Federal Power Act section 215(a)(4).
- 1.17 Interruption: A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.
- 1.18 Load Ratio Share: Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated on a rolling twelve month basis.
- 1.19 Load Shedding: The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.
- 1.20 Long-Term Firm Point-To-Point Transmission Service: Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.
- 1.21 Native Load Customers: The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.
- 1.22 Network Customer: An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.
- 1.23 Network Integration Transmission Service: The transmission service provided under Part III of the Tariff.
- 1.24 Network Load: The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network

Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where a Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.

- 1.25 Network Operating Agreement: An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.
- 1.26 Network Operating Committee: A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.
- 1.27 Network Resource: Any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.
- 1.28 Network Upgrades: Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.
- 1.29 New Rate: Means the modification of a Rate for transmission or ancillary services provided by the Transmission Provider which has been promulgated pursuant to the rate development process outlined in Power And Transmission Rates, 10 C.F.R. Part 903 (2006).
- 1.30 Non-Firm Point-To-Point Transmission Service: Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of the Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month. The Transmission provider may offer Non-Firm Point-To-Point

Transmission Service for periods longer than one month. If offered, the terms and conditions will be consistent with Part II of the Tariff and will be posted on the Transmission Provider's OASIS.

- 1.31 Non-Firm Sale: An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.
- 1.32 Open Access Same-Time Information System (OASIS): The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.
- 1.33 Part I: Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.
- 1.34 Part II: Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.35 Part III: Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.36 Parties: The Transmission Provider and the Transmission Customer receiving service under the Tariff.
- 1.37 Point(s) of Delivery: Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-to-Point Transmission Service.
- 1.38 Point(s) of Receipt: Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-to-Point Transmission Service.
- 1.39 Point-To-Point Transmission Service: The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.
- 1.40 Power Purchaser: The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

- 1.41 Pre-Confirmed Application: An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.
- 1.42 Rate: Means the monetary charge or the formula for computing such a charge for any electric service provided a the Transmission Provider as defined in 10 C.F.R. § 903.2(k)(1) (2006).
- 1.43 Rate Adjustment: Means a change in an existing rate or rates, or the establishment of a rate or rates for a new service. It does not include a change in rate schedule provisions or in contract terms, other than changes in the price per unit of service, nor does it include changes in the monetary charge pursuant to a formula stated in a rate schedule or a contract as defined in 10 C.F.R. § 903.2(k)(m) (2006).
- 1.44 Rate Formula Adjustment: Means a change in an existing rate formula, or the establishment of a rate formula for a new service. It does not include updates to the monetary charge pursuant to a formula stated in a rate schedule or a contract.
- 1.45 Reasonable Efforts: With respect to an action required to be attempted or taken by a Party under this Tariff, 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.
- 1.46 Receiving Party: The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.
- 1.47 Regional Transmission Group (RTG): A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.
- 1.48 Reserved Capacity: The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.
- 1.49 Service Agreement: The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.
- 1.50 Service Commencement Date: The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the

date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

- 1.51 Short-Term Firm Point-To-Point Transmission Service: Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.
- 1.52 System Condition: A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer's Service Agreement.
- 1.53 System Impact Study: An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.
- 1.54 Tariff: The Open Access Transmission Tariff or 'OATT', including all schedules or attachments thereto, of the Transmission Provider as amended from time to time and approved by the Commission.
- 1.55 Third-Party Sale: Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.
- 1.56 Transmission Customer: Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider provide transmission service without a Service Agreement, pursuant to section 15.3 of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.
- 1.57 Transmission Provider: The Regional Office, as defined in Attachment K of this Tariff, of the Western Area Power Administration (Western or WAPA) which owns, controls, or operates the facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.
- 1.58 Transmission Provider's Monthly Transmission System Peak: The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.



- 1.59 Transmission Service: Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.
- 1.60 Transmission System: The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

## 2 Initial Allocation and Renewal Procedures

- 2.1 Initial Allocation of Available Transfer Capability: For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.
- 2.2 Reservation Priority For Existing Firm Service Customers: Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current rate for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to March 2, 2011, or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one year requirement on the first rollover date after March 2, 2011; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of March 2, 2011.



### 3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer serving load within the Transmission Provider's Control Area, is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is required to provide (or offer to arrange with the local Control Area Operator as discussed below), to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer using Transmission Service to deliver energy from a generator located within the Transmission Provider's Control Area is required to acquire Generator Imbalance Service, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. However, when sufficient Federal generation is not available to provide the required Ancillary Services, the Transmission Provider will offer to make every effort to purchase Ancillary Services from others, as available. The costs of such purchases on behalf of a Transmission Customer will be passed directly through to that Transmission Customer. At the request of the Transmission Provider, the costs associated with the purchase of Ancillary Services from others may be collected from the Transmission Customer in advance of the provision of service. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

If the Transmission Provider is a utility providing transmission service, but is not a Control Area operator, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6, and 9) from a third party or by self-supply when technically feasible.

The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.

The specific Ancillary Services, prices and/or compensation methods for each are described on the Schedules that are attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.7 below list the seven Ancillary Services.

- 3.1 Scheduling, System Control and Dispatch Service: The rates and/or methodology are described in Schedule 1.
- 3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service: The rates and/or methodology are described in Schedule 2.
- 3.3 Regulation and Frequency Response Service: Where applicable the rates and/or methodology are described in Schedule 3.
- 3.4 Energy Imbalance Service: Where applicable the rates and/or methodology are described in Schedule 4.
- 3.5 Operating Reserve - Spinning Reserve Service: Where applicable the rates and/or methodology are described in Schedule 5.
- 3.6 Operating Reserve - Supplemental Reserve Service: Where applicable the rates and/or methodology are described in Schedule 6.
- 3.7 Generator Imbalance Service: Where applicable the rates and/or methodology are described in Schedule 9.

#### 4 Open Access Same-Time Information System (OASIS)

- 4.1 Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 C.F.R. § 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities) and 18 C.F.R. § 38 of the Commission's regulations (Business Practice Standards and Communication Protocols for Public Utilities). In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.
- 4.2 The North American Energy Standards Board Wholesale Electric Quadrant standards listed in Attachment N to this Tariff are incorporated herein.
- 4.3 The Transmission Provider shall post on OASIS and its public website an electronic link to all rules, standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS and on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also post on OASIS and its public website an electronic link to a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are not included in this Tariff. Such process shall set forth the means by which the Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the Transmission Provider deems appropriate.

#### 5 Local Furnishing Bonds

- 5.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds: This provision is applicable only to Transmission Providers that have 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 Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.
- 5.2 Alternative Procedures for Requesting Transmission Service:

- (i) If the Transmission Provider determines that the provision of transmission service requested by an Eligible 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 transmission service, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.
- (ii) If the Eligible Customer thereafter renews its request for the same transmission service referred to in (i) by tendering an application under Section 211 of the Federal Power Act, the Transmission Provider, within ten (10) days of receiving a copy of the Section 211 application, will waive its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act. The Commission, upon receipt of the Transmission Provider's waiver of its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act, shall issue an order under Section 211 of the Federal Power Act. Upon issuance of the order under Section 211 of the Federal Power Act, the Transmission Provider shall be required to provide the requested transmission service in accordance with the terms and conditions of this Tariff.

## 6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates. A Transmission Customer that is a member of, or takes transmission service from, a power pool, Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Commission for the operation of transmission facilities, also agrees to provide comparable transmission service to the transmission-owning members of such power pool, Regional Transmission Group, RTO, ISO or other transmission organization on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must

include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

## 7 Billing and Payment

- 7.1 Billing Procedures: Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for charges for services under the Tariff. The charges shall be for all services furnished during the preceding month except for those Transmission Customers required to make advance payment pursuant to a rate schedule adopted in a public process. Invoices for Transmission Customers required to make advance payment shall be issued in accordance with the applicable rate schedule and will show the credits for any advance payments deposited and received by the Transmission Provider for the service month being billed. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.
- 7.2 Unpaid Balances:
- (a) Bills not paid in full by the Contractor by the due date specified in Section 7.1 shall bear an interest charge of five hundredths percent (0.05%) of the principal sum unpaid for each day payment is delinquent, to be added until the amount due is paid in full. 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 the Transmission Provider. Payments received will be first applied to the charges for late payment assessed on the principal and then to payment of the principal.
  - (b) In the event the Transmission Customer fails to make payment to the Transmission Provider on or before the due date as described above, twice within any twelve consecutive months, the Transmission Provider may determine that the Transmission Customer presents a risk of future timely payments. If such determination is made, Transmission Provider will give written notice to the Transmission Customer that it must provide a form of collateral as identified in Attachment Q to this Tariff. Any dispute between the Transmission Customer and the Transmission Provider regarding elimination of additional collateral under this provision shall be covered under Section 12.
- 7.3 Customer Default: In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure,

a default by the Transmission Customer shall be deemed to exist. Within the same 30 calendar days after notice of failure to make payment, the Transmission Customer shall have the right of appeal to the Administrator of Western. The Transmission Provider shall submit its recommendation to the Administrator for review and approval, but shall not terminate service until the Administrator makes a determination on the Transmission Customer's appeal. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission 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 Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

## 8 Accounting for the Transmission Provider's Use of the Tariff

The Transmission Provider shall record the following amounts, as outlined below.

- 8.1 Transmission Revenues: Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the Tariff.
- 8.2 Study Costs and Revenues: Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

## 9 Regulatory Filings

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make changes in terms and conditions, classification of service, or Service Agreement, consistent with the Commission's rules and regulations and Transmission Providers statutory obligations.

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



## 10 Force Majeure and Indemnification

- 10.1 Force Majeure: An event of Force Majeure means 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 Curtailment, 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. Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all Reasonable Efforts to perform its obligations under this Tariff.
- 10.2 Indemnification: The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider 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, demands, 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 Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider. The liability of the Transmission Provider shall be determined in accordance with the Federal Tort Claims Act provision set forth in Attachment J of this Tariff.

## 11 Creditworthiness

The Transmission Provider will specify its creditworthiness procedures in Attachment Q.

## 12 Dispute Resolution Procedures

- 12.1 Internal Dispute Resolution Procedures: Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission 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 resolved in accordance with the procedures set forth below.
- 12.2 External Dispute Resolution Procedures: Any complaint arising concerning implementation of this Tariff shall be resolved as follows:

- (a) through a dispute resolution process, pursuant to the terms of a Regional Transmission Group or applicable reliability council governing agreement of which both Parties are members; or
  - (b) if both Parties are not members of the same Regional Transmission Group or applicable reliability council, through a dispute resolution process agreed to by the Parties, or through a transmission complaint filed with the Commission to the extent the Commission has jurisdiction over such dispute.
- 12.3 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.

## POINT-TO-POINT TRANSMISSION SERVICE

### Preamble

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

## 13 Nature of Firm Point-To-Point Transmission Service

- 13.1 Term: The minimum term of Firm Point-To-Point Transmission Service shall be determined by the Transmission Provider as either one hour or one day and the maximum term shall be specified in the Service Agreement. Where applicable, the Transmission Provider shall post on its OASIS the rates, terms and conditions pertaining to its provision of hourly Firm Point-To-Point Transmission Service.
- 13.2 Reservation Priority:
- (i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis i.e., in the chronological sequence in which each Transmission Customer reserved service.
  - (ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter duration. Among requests or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmed, confirmed, or not confirmed), priority will be given to an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.



- (iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines; one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission 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 (or earlier if necessary to comply with the scheduling deadlines provided in Section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration, price and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.
- (iv) Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.
- (v) For any requests for Short-Term Firm Point-to-Point Transmission Service for which the Transmission Provider's business practices establish an earliest time such requests are permitted to be submitted, any requests for such service submitted within a five (5) minute window following such earliest time shall be deemed to have been submitted simultaneously during such window. If sufficient transmission capacity is not available to meet all such requests submitted within any such five (5) minute window, the otherwise applicable priorities shall apply to allocation of transmission capacity to such requests; provided that, if the otherwise applicable priorities would be to allocate transmission capacity to transmission requests on a first-come, first-served basis (i.e., in the chronological sequence in which each Transmission Customer has requested service), transmission capacity shall instead be allocated to such transmission requests pursuant to a lottery that will select the order that such requests will be processed in a non-discriminatory and non-preferential

manner. The Transmission Provider shall post on its OASIS the allocation methodology and associated business practices.

- 13.3 Use of Firm Transmission Service by the Transmission Provider: The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under agreements executed on or after March 7, 1998. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.
- 13.4 Service Agreements: The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-to-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-to-Point Transmission Service pursuant to the Tariff. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.
- 13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs: In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider in advance for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it

shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement or a separate agreement, as appropriate, prior to initiating service.

13.6 Curtailment of Firm Transmission Service: In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service:

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.
- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of

transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.

- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. The Transmission Provider shall specify in accordance with Schedule 10 of this Tariff the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer, (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved.

- 13.8 Scheduling of Firm Point-To-Point Transmission Service: Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour [or a reasonable increment that is generally accepted in the region and is consistently adhered to by the Transmission Provider]. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be

permitted up to twenty (20) minutes [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

#### 14 Nature of Non-Firm Point-To-Point Transmission Service

- 14.1 Term: Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.
- 14.2 Reservation Priority: Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission

Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

- 14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider: The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under agreements executed on or after March 7, 1998. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.
- 14.4 Service Agreements: The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff.
- 14.5 Classification of Non-Firm Point-To-Point Transmission Service: Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. The Transmission Provider shall specify in accordance with Schedule 10 of this Tariff the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application under Schedule 8.
- 14.6 Scheduling of Non-Firm Point-To-Point Transmission Service: Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 2:00 p.m. [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] of the day prior to commencement of such service. Schedules submitted after 2:00 p.m. will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of energy that are to be delivered must be stated in increments of 1,000 kW per hour [or a reasonable increment that is generally accepted in the region and is consistently adhered to by the Transmission Provider]. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes



will be permitted up to twenty (20) minutes [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

- 14.7 Curtailment or Interruption of Service: The Transmission Provider reserves the right to curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System. The Transmission Provider reserves the right to interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be curtailed or interrupted before daily non-firm transactions and daily non-firm transactions will be curtailed or interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

## 15 Service Availability

- 15.1 General Conditions: The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.
- 15.2 Determination of Available Transfer Capability: A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.
- 15.3 Initiating Service in the Absence of an Executed Service Agreement: If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at the existing rate placed in effect pursuant to applicable Federal law and regulations, and (ii) comply with the terms and conditions of the Tariff including paying the appropriate security deposit and processing fees in accordance with the terms of Section 17.3. If the Transmission Customer cannot accept all of the terms and conditions of the offered Service Agreement, the Transmission Customer may request resolution of the unacceptable terms and conditions under Section 12, Dispute Resolution Procedures, of the Tariff. Any changes resulting from the Dispute Resolution Procedures will be effective upon the date of initial service.
- 15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment:
  - (a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment P, provided the Transmission Customer agrees to compensate the Transmission Provider in advance for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment P, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the



Transmission Provider has the right to expand or modify, and is contingent upon the availability to Transmission Provider of sufficient appropriations and/or authority, when needed, and the Transmission Customer's advanced funds.

- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.
  - (c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the Curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed System Conditions.
- 15.5 Deferral of Service: The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.
- 15.6 Other Transmission Service Schedules: Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.
- 15.7 Real Power Losses: Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power

Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are specified in the Service Agreements or on the Transmission Provider's OASIS.

## 16 Transmission Customer Responsibilities

- 16.1 Conditions Required of Transmission Customers: Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:
- (a) The Transmission Customer has pending a Completed Application for service;
  - (b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
  - (c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;
  - (d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;
  - (e) The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment P;
  - (f) The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3;
  - (g) The Transmission Customer must comply with the Western Energy Imbalance Service Market (WEIS Market) provisions in Attachment R, as applicable, when the Transmission Provider participates in the WEIS Market as described in Attachment R; and
  - (h) The Transmission Customer must comply with the California Independent System Operator's Western Energy Imbalance Market (EIM) provisions in Attachments S or T, as applicable, when the Transmission Provider participates in the EIM as described in Attachments S or T.
- 16.2 Transmission Customer Responsibility for Third-Party Arrangements: Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission

Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake Reasonable Efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

## 17 Procedures for Arranging Firm Point-To-Point Transmission Service

- 17.1 Application: A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to the appropriate Regional Office, as identified in Attachment K to the Tariff, at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the priority of the Application.
- 17.2 Completed Application: A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:
- (i) The identity, tax identification number, address, telephone number and facsimile number of the entity requesting service;
  - (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
  - (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
  - (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by the Tariff, by Federal law, by regulatory or judicial order, for reliability

purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;

- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service;
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;
- (ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service; and
- (x) Any additional information required by the Transmission Provider's planning process established in Attachment P.

The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

- 17.3 Deposit and Processing Fee: For firm Transmission Service requests of one year or longer, a Completed Application for Firm Point-To-Point Transmission Service shall include: (1) a non-refundable processing fee of \$3,500; and (2) a deposit of either one month's charge for Reserved Capacity (not to exceed \$100,000) submitted to the Transmission Provider, or the same amount deposited into an escrow fund setup by the Eligible Customer. The application processing fee does not apply to costs to complete System Impact Studies or Facility Studies or to add new facilities. The specific requirements for the escrow fund will be posted on the Transmission Provider's OASIS. The Eligible Customer shall select one of the two options to satisfy the deposit requirement; provided, that the Transmission Customer will not be required to submit a deposit in the case of either a request for transmission service resulting only in modification to an existing Service Agreement, or a rollover of equivalent transmission service provided under either an existing Service Agreement or other existing bundled or standalone agreement executed prior to December 31, 1997. If the Application is rejected by the Transmission

Provider because it does not meet the conditions for service as set forth herein, the Transmission Provider shall release the escrow fund or return the deposit, without interest. The Transmission Provider shall also release the escrow fund or return the deposit, without interest, if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the Transmission Provider shall release the escrow fund or return the deposit, without interest. Advanced payments associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the Transmission Provider shall release the escrow fund following receipt of the Transmission Customer's payment for the first month of service, or the deposit, without interest, will be fully credited against the Transmission Customer's monthly transmission service bill(s) upon commencement of service.

- 17.4 Notice of Deficient Application: If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application and release the escrow fund or return the deposit, without interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.
- 17.5 Response to a Completed Application: Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission Provider 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 (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Responses by the Transmission Provider must be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.
- 17.6 Execution of a Service Agreement: Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute

and return the Service Agreement or request service without an executed Service Agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and pursuant to section 17.3, and release the escrow fund or return the deposit, without interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

- 17.7 Extensions for Commencement of Service: The Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof within 15 days of notifying the Transmission Provider it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

## 18 Procedures for Arranging Non-Firm Point-To-Point Transmission Service

- 18.1 Application: Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.
- 18.2 Completed Application: A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:
- (i) The identity, tax identification number, address, telephone number and facsimile number of the entity requesting service;



- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The Point(s) of Receipt and the Point(s) of Delivery;
- (iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and
- (v) The proposed dates and hours for initiating and terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

- (vi) The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service;
- (vii) The electrical location of the ultimate load.

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by Federal law, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

- (viii) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

- 18.3 Reservation of Non-Firm Point-To-Point Transmission Service: Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than noon the day before service is to commence. Requests for service received later than 2:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable [or such reasonable times that are generally accepted in the region and are consistently adhered to by the Transmission Provider].

- 18.4 Determination of Available Transfer Capability: Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service. [Or such reasonable times that are generally accepted in the region and are consistently adhered to by the Transmission Provider].

## 19 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests

- 19.1 Notice of Need for System Impact Study: After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider 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 advance funds to the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and pursuant to section 17.3, the Transmission Provider shall release the escrow fund or return the deposit, without interest.
- 19.2 Clustering of System Impact Studies: Clustering is intended to facilitate the Transmission Provider's performance of System Impact Studies for multiple Long-Term Firm Point-to-Point Transmission Service requests. At the written request of an Eligible Customer and with the written concurrence of all other Eligible Customers proposed to be included in the System Impact Study cluster, two or more Long-Term Firm Point-to-Point Transmission Service requests may be studied in a cluster for the purpose of the System Impact Study. If the Transmission Provider determines at its own discretion that it cannot reasonably accommodate a request for Clustering, including but not limited to instances where a request for Clustering may impair the administration or timely processing of the Transmission Provider's



Transmission Service queue, the Transmission Provider may reject a request of an Eligible Customer to implement Clustering of System Impact Studies.

If the Transmission Provider determines based on an Eligible Customer's written request and with the written concurrence of other Eligible Customers within the proposed cluster to study Long-Term Firm Point-to-Point Transmission Service requests using Clustering, all Transmission Service requests within the cluster shall be studied together. Once such a cluster is established, no Eligible Customer shall be allowed to opt out of the cluster unless the Eligible Customer withdraws its Transmission Service request. If an Eligible Customer fails to make payment to the Transmission Provider as specified in the System Impact Study Agreement, such Eligible Customer will be deemed withdrawn from the cluster and its Transmission Service request shall also be deemed withdrawn. The deadline and procedures for completing all System Impact Studies for which a System Impact Study Agreement has been executed for a cluster shall be in accordance with Section 19 of this Tariff for all Transmission Service requests assigned to the same cluster. The initiation date of the System Impact Study for the cluster will take into consideration the time required to coordinate the completion of a System Impact Study Agreement among the cluster participants and the Transmission Provider, and such coordination may cause tender of the System Impact Study Agreement to extend beyond the time frame stated in Section 19.1.

The Transmission Provider will assign the cost of producing the clustered System Impact Study, including any third-party study work required by the Transmission Provider and any cost for restudy necessitated by a customer opting out of or being deemed withdrawn from the cluster, to each customer remaining in the cluster at the time of the cost allocation based on the ratio of the transmission capacity reservation of each such customer to the total transmission capacity reservation of all such customers.

#### 19.3 System Impact Study Agreement and Compensation:

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge will not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning 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 Transmission System.
- (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 the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

- 19.4 System Impact Study Procedures: Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use Reasonable Efforts to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so 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 as soon as the System Impact Study is complete. The Transmission Provider will use the same Reasonable Efforts in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request service without an executed Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.
- 19.5 Facilities Study Procedures: If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, 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 advance funds to the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use Reasonable Efforts to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission 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 Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall pay the Transmission Provider in advance Transmission Customer's share of the costs of new facilities or upgrades. The Transmission Customer shall have thirty (30) days to execute a construction agreement and a Service Agreement and provide the advance payment or request service without an executed Service Agreement pursuant to Section 15.3 and pay the Transmission Customer's share of the costs or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn and pursuant to section 17.3, the Transmission Provider shall release the escrow fund or return the deposit, without interest. Any advance payment made by the Transmission Customer that is in excess of the costs incurred by the Transmission Provider shall be refunded.

- 19.6 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. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.
- 19.7 Due Diligence in Completing New Facilities: The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested

Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

- 19.8 Partial Interim Service: If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.
- 19.9 Expedited Procedures for New Facilities: In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider in advance for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider in advance for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.
- 19.10 Study Metrics: Sections 19.4 and 19.5 require a Transmission Provider to use Reasonable Efforts to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

For the purpose of calculating the percent of non-Affiliates' System Impact Studies processed outside of the 60 day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completed for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies.

19.11 Notice of Need for Environmental Review: If the Transmission Provider determines that environmental review is required in response to a request for service the Transmission Provider shall use Reasonable Efforts to tender an environmental review agreement within 15 Calendar Days of providing a System Impact Study report to Eligible Customer. Pursuant to such agreement or agreements, the Eligible Customer shall make advance payment of funds to the Transmission Provider for performing the environmental review, including review under the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321, et seq., as amended. The agreement(s) shall also set forth Eligible Customer's responsibilities in connection with such environmental review. The Eligible Customer shall execute and return each environmental review agreement, along with the required study funds due upon execution as set forth in the agreement, to the Transmission Provider within 30 calendar days of receipt of the final version offered for execution. If an executed environmental review agreement(s) and the required funds are not provided in the manner set forth above, the application shall be deemed withdrawn and, pursuant to Section 17.3, its deposit shall be returned, without interest, or the release of its escrow funds authorized. In addition, if at any time prior to the issuance of Transmission Providers final NEPA decisional document the Eligible Customer fails to comply with the terms of the environmental review agreement, Transmission Provider reserves the right to deem the request for service withdrawn.

## 20 Procedures if The Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service

20.1 Delays in Construction of New Facilities: If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the Transmission Customer to evaluate any alternatives.

20.2 Alternatives to the Original Facility Additions: When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach

solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

- 20.3 Refund Obligation for Unfinished Facility Additions: If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and pursuant to section 17.3, the Transmission Provider shall release the escrow fund or return the deposit, without interest, and any advance payment made by the Transmission Customer that is in excess of the costs incurred by the Transmission Provider through the time construction was suspended shall be returned. However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

## 21 Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities

- 21.1 Responsibility for Third-Party System Additions: The Transmission Provider 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. The Transmission Provider will undertake Reasonable Efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.
- 21.2 Coordination of Third-Party System Additions: In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by



the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

## 22 Changes in Service Specifications

- 22.1 Modifications On a Non-Firm Basis: The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement (“Secondary Receipt and Delivery Points”), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-To-Point Transmission Service charge or executing a new Service Agreement, subject to the following conditions.
- (a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.
  - (b) The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.
  - (c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.
  - (d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.
- 22.2 Modifications On a Firm Basis: Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof except that such Transmission Customer shall not be obligated to pay any additional deposit and application processing fee if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

## 23 Sale or Assignment of Transmission Service



23.1 Procedures for Assignment or Transfer of Service:

- (a) Subject to the Transmission Provider's prior approval, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall be at rates established by agreement between the Reseller and the Assignee.
- (b) The Assignee must execute a Service Agreement with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of the Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service: If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider in advance for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service: In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use the Transmission Provider's OASIS to post transmission capacity available for resale.

24 Metering and Power Factor Correction at Receipt and Delivery Point(s)

- 24.1 Transmission Customer Obligations: Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.
- 24.2 Transmission Provider Access to Metering Data: The Transmission Provider shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.
- 24.3 Power Factor: Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

## 25 Compensation for Transmission Service

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

## 26 Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Transmission Customer in a manner consistent with applicable Federal law and regulations.

## 27 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with Commission policy. Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved by redispatching the Transmission Provider's resources to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs to the extent consistent with Commission policy.

## NETWORK INTEGRATION TRANSMISSION SERVICE

### Preamble

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement.

Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff.

## 28 Nature of Network Integration Transmission Service

- 28.1 Scope of Service: Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3. The Network Customer must comply with the WEIS Market provisions in Attachment R, as applicable, when the Transmission Provider participates in the WEIS Market as described in Attachment R. The Network Customer must comply with the EIM provisions in Attachments S or T, as applicable, when the Transmission Provider participates in the EIM as described in Attachments S or T.
- 28.2 Transmission Provider Responsibilities: The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment P in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of the Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transfer capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment P, endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers. This obligation to construct and place into service sufficient transmission capacity to deliver the Network Customer's Network Resources to serve its Network Load is contingent upon the availability to Transmission Provider of sufficient appropriations and/or authority, when needed, and the Transmission Customer's advanced funds.

- 28.3 Network Integration Transmission Service: The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.
- 28.4 Secondary Service: The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.
- 28.5 Real Power Losses: Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are specified in the Service Agreements or on the Transmission Provider's OASIS.
- 28.6 Restrictions on Use of Service: The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. The Transmission Provider shall specify in accordance with Schedule 10 of this Tariff any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load.

## 29 Initiating Service

- 29.1 Condition Precedent for Receiving Service: Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider provide service without an executed Service Agreement, and (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G or requests in writing that the Transmission Provider provide service without an executed Network Operating Agreement. If the Transmission Provider and the Network Customer cannot agree on all the terms and conditions of the Network Service Agreement, the Transmission Provider shall commence providing Network Integration Transmission Service subject to the Network Customer agreeing to (i) compensate the Transmission Provider at the existing rate placed in effect pursuant to applicable Federal law and regulations, and (ii) comply with the terms and conditions of the Tariff including paying the appropriate processing fees in accordance with the terms of Section 29.2. If the Network Customer cannot accept all of the terms and conditions of the offered Service Agreement, the Network Customer may request resolution of the unacceptable terms and conditions under Section 12, Dispute Resolution Procedures, of the Tariff. Any changes resulting from the Dispute Resolution Procedures will be effective upon the date of initial service.
- 29.2 Application Procedures: An Eligible Customer requesting service under Part III of the Tariff must submit an Application to the Transmission Provider as far as possible in advance of the month in which service is to commence. For transmission service requests of one year or longer, the Completed Application shall include: (1) a non-refundable application processing fee of \$3,500; and (2) a deposit approximating the charge for one month of service (not to exceed \$100,000) submitted to the Transmission Provider, or the same amount deposited into an escrow fund setup by the Eligible Customer. The application processing fee does not apply to costs to complete System Impact Studies or Facility Studies or to add new facilities. The specific requirements for the escrow fund will be posted on the Transmission Provider's OASIS. The Eligible Customer shall select one of the two options to satisfy the deposit requirement; provided, that the Transmission Customer will not be required to submit a deposit in the case of either a request for transmission service resulting only in modification to an existing Service Agreement, or a rollover of equivalent transmission service provided under either an existing Service Agreement or other existing bundled or standalone agreement executed prior to December 31, 1997. If an Application is withdrawn or the Eligible Customer

decides not to enter into a Service Agreement for Network Integration Transmission Service, the Transmission Provider shall release the escrow fund or return the deposit, without interest. If a Service Agreement for Network Integration Transmission Service is executed, the Transmission Provider shall release the escrow fund following receipt of the Transmission Customer's payment for the first month of service, or the deposit, without interest, will be fully credited against the Transmission Customer's monthly transmission service bill(s) upon commencement of service. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the 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, tax identification number, address, telephone number and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;
- (iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any), included in the 10 year load forecast provided in response to (iii) above;
- (v) A description of Network Resources (current and 10-year projection). For each on-system Network Resource, such description shall include:



- Unit size and amount of capacity from that unit to be designated as Network Resource
- VAR capability (both leading and lagging), of all generators
- Operating restrictions
- Any periods of restricted operations throughout the year
- Maintenance schedules
- Minimum loading level of unit
- Normal operating level of unit
- Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWH) for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource

For each off-system Network Resource, such description shall include:

- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Identification of the control area from which the power will originate, if required based on the Transmission Provider's posting on OASIS
- Delivery point(s) to the Transmission Provider's Transmission System
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
  - Any periods of restricted operations throughout the year
  - Maintenance schedules
  - Minimum loading level of unit
  - Normal operating level of unit
  - Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWH) for redispatch computations;

(vi) Description of Eligible Customer's transmission system:

- Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider
- Operating restrictions needed for reliability
- Operating guides employed by system operators
- Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
- Location of Network Resources described in subsection (v) above
- 10 year projection of system expansions or upgrades



- Transmission System maps that include any proposed expansions or upgrades
  - Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;
- (vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year.
- (viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) satisfy the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a noninterruptible basis, except for purposes of fulfilling obligations under a reserve sharing program; and
- (ix) Any additional information required of the Transmission Customer as specified in the Transmission Provider's planning process established in Attachment P.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgment must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

- 29.3 Technical Arrangements to be Completed Prior to Commencement of Service: Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider shall

exercise Reasonable Efforts, in coordination with the Network Customer to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

- 29.4 Network Customer Facilities: The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.
- 29.5 This section is intentionally left blank.

### 30 Network Resources

- 30.1 Designation of Network Resources: Network Resources shall include all generation owned, purchased, or leased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.
- 30.2 Designation of New Network Resources: The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through the Transmission Provider's OASIS by a request for modification of service pursuant to an Application under Section 29. This request must include a statement that the new network resource satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a noninterruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. The Network Customer's request will be deemed deficient if it does not include this

statement and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

- 30.3 Termination of Network Resources: The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource at any time by providing notification to the Transmission Provider through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:
- (i) Effective date and time of temporary termination;
  - (ii) Effective date and time of redesignation, following period of temporary termination;
  - (iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;
  - (iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and
  - (v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

- 30.4 Operation of Network Resources: The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing

program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service.

- 30.5 Network Customer Redispatch Obligation: As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.
- 30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider: The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake Reasonable Efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.
- 30.7 Limitation on Designation of Network Resources: The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.
- 30.8 Use of Interface Capacity by the Network Customer: There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads.

However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

- 30.9 Network Customer Owned Transmission Facilities: The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider to serve its power and transmission customers. For facilities added by the Network Customer subsequent to May 14, 2007 (i.e., the effective date of the Commission's Order No. 890), the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

### 31 Designation of Network Load

- 31.1 Network Load: The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.
- 31.2 New Network Loads Connected With the Transmission Provider: The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with Commission policies.
- 31.3 Network Load Not Physically Interconnected with the Transmission Provider: This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to

obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

- 31.4 New Interconnection Points: To the extent the Network Customer desires to add a new Delivery Point or interconnection point between the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable.
- 31.5 Changes in Service Requests: Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner. The Transmission Provider will have no obligation to refund any advance of funds expended for purposes of providing facilities for a Network Customer. However, upon receipt of a Network Customer's written notice of such a cancellation or delay, the Transmission Provider will use the same Reasonable Efforts to mitigate the costs and charges owed to the Transmission Provider as it would to reduce its own costs and charges.
- 31.6 Annual Load and Resource Information Updates: The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff including, but not limited to, any information provided under Section 29.2(ix) pursuant to the Transmission Provider's planning process in Attachment P. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.



## 32 Additional Study Procedures For Network Integration Transmission Service Requests

- 32.1 Notice of Need for System Impact Study: After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider 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 advance funds to the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and pursuant to Section 29.2, the Transmission Provider shall release the escrow fund or return the deposit, without interest.
- 32.2 System Impact Study Agreement and Compensation:
- (i) The System Impact Study Agreement will clearly specify the Transmission Provider'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, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning 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 Transmission System.
  - (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 the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.
  - (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.
- 32.3 System Impact Study Procedures: Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use Reasonable Efforts to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified



with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so 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 as soon as the System Impact Study is complete. The Transmission Provider will use the same Reasonable Efforts in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request service without an executed Service Agreement pursuant to Section 29.1, or the Application shall be deemed terminated and withdrawn.

- 32.4 Facilities Study Procedures: If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, 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 advance funds to the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use Reasonable Efforts to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall

notify the Eligible 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 Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall advance funds to the Transmission Provider for the construction of new facilities and such advance and construction shall be provided for in a separate agreement. If the construction of new facilities requires the expenditure of Transmission Provider funds, such construction shall be contingent upon the availability of appropriated funds. The Eligible Customer shall have thirty (30) days to execute a construction agreement and a Service Agreement and provide the advance payment or request service without an executed Service Agreement pursuant to Section 29.1 and pay the Transmission Customer's share of the costs or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn and pursuant to section 29.2, the Transmission Provider shall release the escrow fund or return the deposit, without interest. Any advance payment made by the Transmission Customer that is in excess of the costs incurred by the Transmission Provider shall be refunded.

- 32.5 Study Metrics: Section 19.10 defines the methodology used to calculate the percentage of non-affiliates' System Impact Studies and Facilities Studies processed outside the 60-day study completion deadlines using Reasonable Efforts under Part II of the Tariff. The same calculation applies to service under Part III of the Tariff.
- 32.6 Notice of Need for Environmental Review: If the Transmission Provider determines that environmental review is required in response to a request for service the Transmission Provider shall use Reasonable Efforts to tender an environmental review agreement within 15 Calendar Days of providing a System Impact Study report to Eligible Customer. Pursuant to such agreement or agreements, the Eligible Customer shall make advance payment of funds to the Transmission Provider for performing the environmental review, including review under the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321, et seq., as amended. The agreement(s) shall also set forth Eligible Customer's responsibilities in connection with such environmental review. The Eligible Customer shall execute and return each environmental review agreement, along with the required study funds due upon execution as set forth in the agreement, to the Transmission Provider within 30 calendar days of receipt of the final version offered for execution. If an executed environmental review agreement(s) and the required funds are not provided in the manner set forth above, the application shall be deemed withdrawn and, pursuant to Section 17.3, its deposit shall be returned, without interest, or the release of its

escrow funds authorized. In addition, if at any time prior to the issuance of Transmission Providers final NEPA decisional document the Eligible Customer fails to comply with the terms of the environmental review agreement, Transmission Provider reserves the right to deem the request for service withdrawn.

### 33 Load Shedding and Curtailments

- 33.1 Procedures: Prior to the Service Commencement Date, the Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the Transmission System. The Parties will implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.
- 33.2 Transmission Constraints: During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.
- 33.3 Cost Responsibility for Relieving Transmission Constraints: Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.
- 33.4 Curtailments of Scheduled Deliveries: If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to curtail scheduled deliveries, the Parties shall curtail such schedules in accordance with the Network Operating Agreement.

- 33.5 Allocation of Curtailments: The Transmission Provider shall, on a non-discriminatory basis, curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to curtail schedules to an extent greater than the Transmission Provider would curtail the Transmission Provider's schedules under similar circumstances.
- 33.6 Load Shedding: To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.
- 33.7 System Reliability: Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

#### 34 Rates and Charges

The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Federal policy, along with the following:

- 34.1 Monthly Demand Charge: The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Transmission Provider's Annual Transmission Revenue Requirement specified in Schedule H.
- 34.2 Determination of Network Customer's Monthly Network Load: The Network Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3) coincident with the Transmission Provider's Monthly Transmission System Peak.
- 34.3 Determination of Transmission Provider's Monthly Transmission System Load: The Transmission Provider's monthly Transmission System load is the Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Long-Term Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Long-Term Firm Point-To-Point Transmission Service customers.
- 34.4 Redispatch Charge: The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.
- 34.5 Stranded Cost Recovery: The Transmission Provider may seek to recover stranded costs from the Network Customer in a manner consistent with applicable Federal law and regulations.

## 35 Operating Arrangements

- 35.1 Operation under The Network Operating Agreement: The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.
- 35.2 Network Operating Agreement: The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational

characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1 and the applicable regional reliability organization (RRO), (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO and the applicable RRO. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

- 35.3 Network Operating Committee: A Network Operating Committee (Committee) may be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee may meet from time to time as need requires.



## **SCHEDULE 1**

### **Scheduling, System Control and Dispatch Service**

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is provided directly by the Transmission Provider if the Transmission Provider is the Control Area Operator or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates referred to below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission System specific charges for Scheduling, System Control and Dispatch Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges for Scheduling, System Control and Dispatch Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Scheduling, System Control and Dispatch Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.



## **SCHEDULE 2**

### **Reactive Supply and Voltage Control from Generation or Other Sources Service**

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the Control Area operator are operated to produce or absorb reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation or Other Sources Service can be provided directly by the Transmission Provider if the Transmission Provider is the Control Area operator or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for such service will be based upon the rates referred to below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area Operator.

The Transmission System specific charges for Reactive Supply and Voltage Control from Generation or Other Sources Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges for Reactive Supply and Voltage Control from Generation or Other Sources Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Reactive Supply and Voltage Control from Generation or Other Sources Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

## **SCHEDULE 3**

### **Regulation and Frequency Response Service**

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources, generation and interchange, with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered, predominantly through the use of automatic generating control equipment, and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, the Transmission Provider will share with the Transmission Customer its reasoning and any related data used to make the determination of whether the Transmission Customer has made alternative comparable arrangements. The charges for Regulation and Frequency Response Service are referred to below. The amount of Regulation and Frequency Response Service will be set forth in the Service Agreement. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission System specific charges for Regulation and Frequency Response Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges for Regulation and Frequency Response Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Regulation and Frequency Response Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

## **SCHEDULE 4**

### **Energy Imbalance Service**

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either obtain this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission System specific compensation for Energy Imbalance Service is set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the compensation for Energy Imbalance Service upon written notice to the Transmission Customer. Any change to the compensation to the Transmission Customer for Energy Imbalance Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

## **SCHEDULE 5**

### **Operating Reserve - Spinning Reserve Service**

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The charges for Spinning Reserve Service are referred to below. The amount of Spinning Reserve Service will be set forth in the Service Agreement. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission System specific charges for Operating Reserve - Spinning Reserve Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges for Operating Reserve - Spinning Reserve Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Operating Reserve - Spinning Reserve Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

## **SCHEDULE 6**

### **Operating Reserve - Supplemental Reserve Service**

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The charges for Supplemental Reserve Service are referred to below. The amount of Supplemental Reserve Service will be set forth in the Service Agreement. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission System specific charges for Operating Reserve - Supplemental Reserve Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges for Operating Reserve - Supplemental Reserve Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Operating Reserve - Supplemental Reserve Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

## **SCHEDULE 7**

### **Long-Term Firm and Short-Term Firm Point-to-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity pursuant to the Transmission System specific Firm Point-to-Point Transmission Service Rate Schedule attached to and made a part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges for Firm Point-to-Point Transmission Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Firm Point-to-Point Transmission Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

Discounts: Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts, including requests for use by one's wholesale merchant or an Affiliate's use, must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Section 23.1 of the Tariff.



## **SCHEDULE 8**

### **Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-to-Point Transmission Service pursuant to the Transmission System specific Non-Firm Point-to-Point Transmission Service Rate Schedule attached to and made a part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges for Non-Firm Point-to-Point Transmission Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Non-Firm Point-to-Point Transmission Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

Discounts: Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts, including requests for use by one's wholesale merchant or an Affiliate's use, must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Section 23.1 of the Tariff.

### **WestConnect Participation and Rate Schedule - Hourly Non-Firm Point-To-Point Regional Transmission Service**

The Transmission Provider incorporates by reference and offers service under the WestConnect Amended and Restated Point-to-Point Regional Transmission Service Participation Agreement (Participation Agreement), as amended and supplemented, while Transmission Provider is a party to such Participation Agreement, over the Central Arizona Project, Colorado River Storage Project, Loveland Area Projects, Pacific Northwest-Pacific Southwest Intertie Project, and Parker-Davis Project transmission systems. Details regarding this WestConnect Regional Transmission Service are available on Transmission Provider's OASIS and at: [http://regpricing.westconnect.com/regional\\_transmission.htm](http://regpricing.westconnect.com/regional_transmission.htm).

## **SCHEDULE 9**

### **Generator Imbalance Service**

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator.

The Transmission System specific compensation for Generator Imbalance Service is set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the compensation for Generator Imbalance Service upon written notice to the Transmission Customer. Any change to the compensation to the Transmission Customer for Generator Imbalance Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

## **SCHEDULE 10**

### **Unreserved Use Penalties**

The Transmission System specific methodology for assessment of Unreserved Use Penalties is set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement, if one exists. The rates or rate methodology used to calculate such penalties under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the methodology for assessment of Unreserved Use Penalties upon written notice to the Transmission Customer. Any change to that methodology shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. If a Transmission Customer does not have an applicable Service Agreement, they will be charged Unreserved Use Penalties in accordance with the Tariff. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

(Service Agreement Number)

(Transmission Customer)

Attachment A

## ATTACHMENT A

### Service Agreement for Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between the (Region) of Western Area Power Administration (Transmission Provider), and \_\_\_\_\_ (Transmission Customer), each of whom are sometimes hereinafter individually called Party and both of whom are sometimes hereinafter collectively called the Parties. For purposes of this Service Agreement, the Transmission Provider's Transmission System consists of the applicable facilities described in Attachment K to the Tariff. The Transmission Provider may revise charges or losses for Firm Point-to-Point Transmission Service provided under this Service Agreement pursuant to applicable Federal laws, regulations and policies upon written notice to the Transmission Customer.
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider a deposit and/or nonrefundable Application processing fee in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested Service Commencement Date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as is mutually agreed. Service under this agreement shall terminate on \_\_\_\_\_. The Transmission Provider's acceptance of a rollover or renewal request is contingent upon, and in the sole discretion of the Transmission Provider may be limited by, the Transmission Provider's requirement to utilize capacity on its Transmission System in amounts necessary to meet statutory and contractual obligations to deliver Federal power to Project Use and Firm Electric Service customers of the Federal government. The Transmission Provider is presently aware of the following events that will impact and/or alter the capacity of its Transmission System and cause a limitation or denial of a rollover or renewal request: (Each Region will add specific language into final service agreements detailing all known events that may affect transmission system capacity. Examples may include, but are not limited to: new Firm Electric Service Marketing Plans; status changes pertaining to Project Use and Firm Electric Service customers; and applications to join RTOs.) Therefore, notwithstanding the provisions of Section 2.2 of the Tariff, prior to expiration of this Service Agreement, the Transmission Provider may in its sole discretion determine that a rollover or renewal would impair its ability to meet these Federal obligations. In such case, the Transmission Provider may not offer a rollover or renewal of the Transmission Customer's transmission service in the amounts the Transmission Customer has reserved under this Service Agreement.

(Service Agreement Number)

(Transmission Customer)

Attachment A

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff, and this Service Agreement.

6.0 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.

Transmission Provider:

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Transmission Customer:

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Each Party may change the designation of its representative upon oral notice to the other, with confirmation of that change to be submitted in writing within ten (10) days thereafter.

7.0 The Tariff and, if applicable, the “Specifications For Long-Term Firm Point-To-Point Transmission Service”, as presently constituted or as they may be revised or superseded, are incorporated herein and made a part hereof.

8.0 Power Factor: (To be filled in if applicable in accordance with Section 24.3 of the Tariff)

9.0 Transmission Losses

9.1 Loss Factors:

9.1.1 If, based on operating experience and technical studies, the Transmission Provider determines that any of the transmission loss factors on the Transmission Provider’s Transmission System differs from the loss factors set forth in this Service Agreement, the Transmission Provider will notify the Transmission Customer of the revised loss factor(s) pursuant to Section 1.0 of this Service Agreement.

9.1.2 Transmission Provider Transmission Loss Factor: Transmission Provider transmission losses shall initially be \_\_% and shall be

(Service Agreement Number)

(Transmission Customer)

Attachment A

assessed on the power scheduled and transmitted to a point of delivery on the Transmission Provider's Transmission System.

## 10.0 Ancillary Services

### 10.1 Provided by Transmission Provider

10.1.1 Scheduling, System Control, and Dispatch Service

10.1.2 Reactive Supply and Voltage Control from Generation Sources Service

### 10.2 Provided by Transmission Customer

10.2.1 (To be filled in if applicable)

10.2.2

### 10.3 Provided by \_\_\_\_\_

10.3.1 (To be filled in if applicable)

10.3.2

11.0 Net Billing and Bill Crediting Option: The Parties have agreed to implement [Net Billing, Bill Crediting, both Net Billing and Bill Crediting, or neither Net Billing nor Bill Crediting] as set forth in Attachment J.

12.0 Charges for Service: Charges for Firm Point-to-Point Transmission Service and associated Ancillary Services shall be calculated in accordance with the applicable Rate Schedule(s) attached hereto and made a part of this Service Agreement. The rates or rate methodology used to calculate the charges for service under that schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.



(Service Agreement Number)

(Transmission Customer)

Attachment A

(The following section will be included as appropriate at the Transmission Providers discretion)

13.0 Independent System Operator: The Parties understand that the Transmission Provider may join an independent system operator under Commission jurisdiction. In the event the Transmission Provider either joins or is required to conform to protocols of the independent system operator, the Parties agree that the Transmission Provider either may (1) make any changes necessary to conform to the terms and conditions required by Commission approval of the independent system operator, or (2) terminate this Service Agreement by providing a one-year written notice to the Transmission Customer.

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

WESTERN AREA POWER ADMINISTRATION

By \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

(TRANSMISSION CUSTOMER)

(SEAL)

By \_\_\_\_\_

Attest:

Title \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

(Service Agreement Number)

(Transmission Customer)

Attachment A

## **Specifications For Long-Term Firm Point-To-Point Transmission Service**

- 1.0 Term of Transaction: \_\_\_\_\_  
Start Date: \_\_\_\_\_  
Termination Date: \_\_\_\_\_
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.  
\_\_\_\_\_
- 3.0 Point(s) of Receipt: \_\_\_\_\_  
Delivering Party: \_\_\_\_\_  
Capacity Reservation: \_\_\_\_\_
- 4.0 Point(s) of Delivery: \_\_\_\_\_  
Receiving Party: \_\_\_\_\_  
Capacity Reservation: \_\_\_\_\_
- 5.0 The Maximum amount of capacity and energy to be transmitted (Reserved Capacity) is: \_\_\_\_\_
- 6.0 Designation of party(ies) subject to reciprocal service obligation:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 7.0 Name of the Control Area from which capacity and energy will be delivered to the Transmission Provider for Transmission Service:  
\_\_\_\_\_
- Name of the Control Area to which capacity and energy will be delivered by the Transmission Provider:  
\_\_\_\_\_
- Name(s) of any Intervening Systems providing transmission service:  
\_\_\_\_\_  
\_\_\_\_\_
- 8.0 Service under this Agreement may be subject to some combination of the charges detailed below. The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.
- 8.1 Transmission Charge:

(Service Agreement Number)

(Transmission Customer)

Attachment A

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

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8.3 Direct Assignment Facilities Charge:

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8.4 Ancillary Services Charges:

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8.5 Redispatch Charges: (To be filled in if applicable)

8.6 Network Upgrade Charges: (To be filled in if applicable)

(Service Agreement Number)

(Assignee)

Attachment A-1

## ATTACHMENT A-1

### Service Agreement For The Resale, Reassignment, Or Transfer Of Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between the (Region) of Western Area Power Administration (Transmission Provider), and \_\_\_\_\_ (Assignee), each of whom are sometimes hereinafter individually called Party and both of whom are sometimes hereinafter collectively called the Parties. For purposes of this Service Agreement, the Transmission Provider's Transmission System consists of the applicable facilities described in Attachment K to the Tariff.
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff and the terms and conditions of Service Agreement No. \_\_\_\_\_ between the Transmission Provider and the initial Reseller, except for the following terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee: contract effective and termination dates, subject to the limitations on rollover or renewal requests set forth in Service Agreement No. \_\_\_\_\_ between the Transmission Provider and the initial Reseller; the amount of reassigned capacity or energy; Point(s) of Receipt and Delivery; and transmission service and other charges. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
- 4.0 The Transmission Provider shall continue to invoice the initial Reseller for Point-to-Point Transmission Service provided in accordance with the terms and conditions of Service Agreement No. \_\_\_\_\_ between the Transmission Provider and the initial Reseller. The Reseller and the Assignee shall negotiate and execute separate billing arrangements between themselves for the charges reflected in this Service Agreement or the associated OASIS schedule.
- 5.0 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.

Transmission Provider:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Service Agreement Number)

(Assignee)

Attachment A-1

Assignee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Each Party may change the designation of its representative upon oral notice to the other, with confirmation of that change to be submitted in writing within ten (10) days thereafter.

- 6.0 The Tariff, Service Agreement No. \_\_\_\_\_ between the Transmission Provider and the initial Reseller, and, if applicable, the “Specifications For The Resale, Reassignment Or Transfer of Long-Term Firm Point-To-Point Transmission Service,” as presently constituted or as they may be revised or superseded, are incorporated herein and made a part hereof.

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

WESTERN AREA POWER ADMINISTRATION

By \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Date \_\_\_\_\_

(ASSIGNEE)

(SEAL)

By \_\_\_\_\_

Attest:

Title \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

(Service Agreement Number)

(Assignee)

Attachment A-1

### **Specifications For The Resale, Reassignment Or Transfer of Long-Term Firm Point-To-Point Transmission Service**

- 1.0 Term of Transaction: \_\_\_\_\_  
Start Date: \_\_\_\_\_  
Termination Date: \_\_\_\_\_
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.  
\_\_\_\_\_
- 3.0 Point(s) of Receipt: \_\_\_\_\_  
Delivering Party: \_\_\_\_\_
- 4.0 Point(s) of Delivery: \_\_\_\_\_  
Receiving Party: \_\_\_\_\_
- 5.0 Maximum amount of reassigned capacity: \_\_\_\_\_
- 6.0 Designation of party(ies) subject to reciprocal service obligation:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 7.0 Name of the Control Area from which capacity and energy will be delivered to the Transmission Provider for Transmission Service:  
\_\_\_\_\_
- Name of the Control Area to which capacity and energy will be delivered by the Transmission Provider:  
\_\_\_\_\_
- Name(s) of any Intervening Systems providing transmission service:  
\_\_\_\_\_  
\_\_\_\_\_
- 8.0 The Reseller and the Assignee have negotiated the charges detailed below in accordance with the terms and conditions of the Tariff.
- 8.1 Transmission Charge: \_\_\_\_\_  
\_\_\_\_\_
- 8.2 System Impact and/or Facilities Study Charge(s):  
\_\_\_\_\_  
\_\_\_\_\_



(Service Agreement Number)

(Assignee)

Attachment A-1

8.3 Direct Assignment Facilities Charge: \_\_\_\_\_

8.4 Ancillary Services Charges: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9.0 Name of Reseller of the reassigned transmission capacity:

\_\_\_\_\_

(Service Agreement Number)

(Transmission Customer)

Attachment B

## ATTACHMENT B

### Service Agreement for Non-Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between the (Region) of Western Area Power Administration (Transmission Provider), and \_\_\_\_\_ (Transmission Customer), each of whom are sometimes hereinafter individually called Party and both of whom are sometimes hereinafter collectively called the Parties. For purposes of this Service Agreement, the Transmission Provider's Transmission System consists of the applicable facilities described in Attachment K to the Tariff. The Transmission Provider may revise charges or losses for Non-Firm Point-to-Point Transmission Service provided under this Service Agreement pursuant to applicable Federal laws, regulations and policies upon written notice to the Transmission Customer.
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Service Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer. This Service Agreement shall terminate on \_\_\_\_\_.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff, and this Service Agreement.
- 6.0 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.

Transmission Provider:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Service Agreement Number)

(Transmission Customer)

Attachment B

Transmission Customer:

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Each Party may change the designation of its representative upon oral notice to the other, with confirmation of that change to be submitted in writing within ten (10) days thereafter.

7.0 The Tariff as presently constituted or as it may be revised or superseded is incorporated herein and made a part hereof.

8.0 Power Factor: (To be filled in if applicable in accordance with Section 24.3 of the Tariff)

9.0 Transmission Losses:

9.1 Loss Factors:

9.1.1 If, based on operating experience and technical studies, the Transmission Provider determines that any of the transmission loss factors on the Transmission Provider's Transmission System differs from the loss factors set forth in this Service Agreement, the Transmission Provider will notify the Transmission Customer of the revised loss factor(s) pursuant to Section 1.0 of this Service Agreement.

9.1.2 Transmission Provider Transmission Loss Factor: Transmission Provider transmission losses shall initially be \_\_\_% and shall be assessed on the power scheduled and transmitted to a point of delivery on the Transmission Provider's Transmission System.

10.0 Ancillary Services

10.1 Provided by Transmission Provider

10.1.1 Scheduling, System Control, and Dispatch Service

10.1.2 Reactive Supply and Voltage Control from Generation Sources Service

10.2 Provided by Transmission Customer

10.2.1 (To be filled in if appropriate)

10.2.2

10.3 Provided by \_\_\_\_\_

10.3.1 (To be filled in if appropriate)

(Service Agreement Number)

(Transmission Customer)

Attachment B

### 10.3.2

- 11.0 Net Billing and Bill Crediting Option: The Parties have agreed to implement [Net Billing, Bill Crediting, both Net Billing and Bill Crediting, or neither Net Billing nor Bill Crediting] as set forth in Attachment J.
- 12.0 Charges for Service: Charges for Non-Firm Point-to-Point Transmission Service and associated Ancillary Services shall be calculated in accordance with the applicable Rate Schedules(s) attached hereto and made a part of this Service Agreement. The rates or rate methodology used to calculate the charges for service under that schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

[The following section will be included as appropriate at the Transmission Provider's discretion]

- 13.0 Independent System Operator: The Parties understand that the Transmission Provider may join an independent system operator under Commission jurisdiction. In the event the Transmission Provider either joins or is required to conform to protocols of the independent system operator, the Parties agree that the Transmission Provider either may (1) make any changes necessary to conform to the terms and conditions required by Commission approval of the independent system operator, or (2) terminate this Service Agreement by providing a one-year written notice to the Transmission Customer.

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

WESTERN AREA POWER ADMINISTRATION

By \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

(TRANSMISSION CUSTOMER)

(SEAL)

By \_\_\_\_\_

Attest:

Title \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

DISCLAIMER: WAPA's Open Access Transmission Tariff (OATT) is filed with the Federal Energy Regulatory Commission (FERC).  
WAPA's filings and associated FERC orders establish the rates, terms and conditions of service. This version is  
prepared for the convenience of WAPA's customers and any conflicts between this document and  
the version filed shall be resolved in favor of the version filed.

(Service Agreement Number)

(Transmission Customer)

Attachment B

Title \_\_\_\_\_

Date \_\_\_\_\_

## ATTACHMENT C

### Methodology to Assess Available Transfer Capability

#### Part I - Colorado River Storage Project Management Center, Desert Southwest Region, Rocky Mountain Region, and Sierra Nevada Region

- (1) Detailed description of the specific mathematical algorithm used to calculate firm and non-firm ATC for scheduling, operating and planning horizons.

##### Scheduling Horizon

- a. Firm ATC = TTC - TRM - ETC
- b. Non-Firm ATC = TTC - TRM\*Coef - ETC

##### Operating Horizon

- a. Firm ATC = TTC - TRM - ETC
- b. Non-Firm ATC = TTC - TRM\*Coef - ETC

##### Planning Horizon

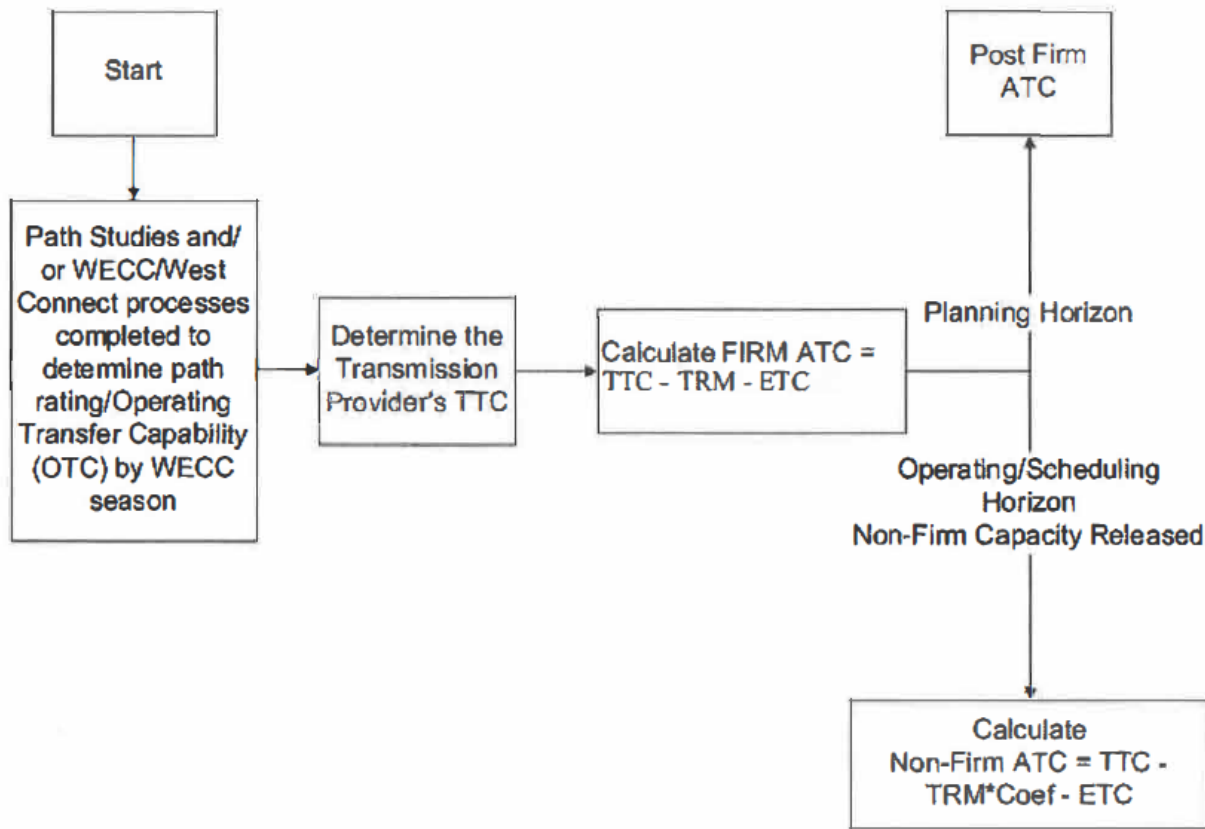
- a. Firm ATC = TTC - TRM - ETC
- b. Non-Firm ATC = TTC - ETC

The Transmission Provider's ATC algorithms are also available on the Transmission Provider's OASIS website.

- (2) A process flow diagram that illustrates the various steps through which ATC/AFC is calculated



## ATC Process Flow Diagram



(3) Detailed explanation of how each of the ATC components is calculated for both the operating and planning horizons

a. For TTC:

i. Definition of TTC:

Total Transfer Capability (TTC): The amount of electric power that can be transferred over a specific path within the Transmission Provider's interconnected transmission network in a reliable manner while meeting all of a specific set of defined pre- and post- contingency system conditions. TTC is a variable quantity, dependent upon operating conditions in the near term and forecasted conditions in the long term. TTC shall be calculated consistent with the requirements of FERC, NERC and WECC as needed to represent system conditions, but no less frequently than seasonally. TTC cannot exceed the path rating.

Attachment C

ii. TTC calculation methodology.

- For transmission facilities that will affect the Western Interconnection, the determination of TTC is accomplished through the WECC Path Rating Process. The Transmission Provider follows the ATC methodology adopted by WECC and presented in the WECC document Determination of Available Transfer Capability Within the Western Interconnection. Seasonal Operating Transfer Capability (OTC) studies are completed to determine the limit at which a transmission path can be operated at and still meet reliability requirement under an N-1 (single contingency) condition.
- TTC is determined either prior to a new transmission component being brought into service or when a modification to a transmission component would affect the TTC.
- Once the TTC determination is made, it remains fixed and changes only if there is a physical or operational change to the transmission system or a transmission component which requires a change to TTC.
- When transmission facilities are jointly owned, the capacity is allocated among the owners based on the joint ownership or participation agreement; therefore, the TTC of the jointly owned facilities will be based upon the capacity allocated to each Transmission Provider.
- If a WECC defined path must be separated into components to properly allow for the commercial use of the path and its components, the components' TTCs will be based on the same studies used to determine the path OTC or the thermal rating of the components. The sum of the components' TTCs will not exceed the path OTC.
- For internal constraints, the net of local load and local generation may be used to determine TTC and/or ATC.
- Narratives explaining changes to monthly and/or yearly TTC are posted on the Transmission Provider's OASIS.

iii. List of databases used in TTC assessments:

The Transmission Provider utilizes the NERC and WECC contract path methodology to determine TTC on its transmission system. The determination of the TTC for paths on the Transmission Provider system is segment dependent. However, the tools used to determine TTC are the same for all segments, i.e., powerflow and stability programs using system modeling data obtained through WECC.

Attachment C

iv. Assumptions used in TTC assessments:

Paths with established transfer capabilities will not be evaluated unless there is a valid reason for doing so, such as a component change or new configuration, which could affect the transfer capability. Should a change in a WECC rated path warrant restudying, the required studies for the path will be performed through the WECC Path Rating Process. Should a change in a non-WECC rated path warrant restudying, the required studies for the path will follow the WECC rated path methodology, but not be brought through the WECC Path Rating Process. However, the study process will be performed through the applicable Regional or Sub-Regional Planning group.

b. For ETC:

i. Definition of ETC.

**Existing Transmission Commitments (ETC):** ETC is transmission that is already committed for use.

There are four types of committed uses: 1) native load uses; 2) existing commitments for purchase/exchange/deliveries/sales; 3) existing commitments for transmission service (Pre-Order 888, Post-Order 888, point-to-point and network); and 4) other pending potential uses of transfer capability (non-confirmed Transmission Service Requests). The Transmission Provider determines ETC as the total of all contracts using a contract path methodology.

ii. Explanation of calculation methodology used to determine the transmission capacity to be set aside for native load and non-OATT customers:

The Transmission Service Provider shall determine the impact of firm ETCs based on the following inputs:

- The transmission capability utilized in serving Firm Electric Service, congressionally mandated power deliveries to Transmission Provider's preference customers from the Federally owned generating plants.
- The impact of Firm Network Integration Transmission Service serving Load, to include Load forecast error and losses not otherwise included in TRM.

Attachment C

- The impact of grandfathered firm Transmission Service agreements and bundled contracts for energy and transmission, where executed prior to the effective date of Transmission Provider's Tariff .
- The impact of Firm Point-to-Point Transmission Service.
- The impact of any Ancillary Services not otherwise included in TRM,
- Post-backs of redirected or released Firm services.
- The impact of any other services, contracts, or agreements not specified above using transmission that serves Firm Electric Service or Firm Network Integration Transmission Service.

iii. How Point-to-Point Transmission Service requests are incorporated.

Point-to-point type contracts are modeled using the specified megawatt quantity, Point of Receipt, Point of Delivery, and contract term.

iv. How rollover rights are accounted for:

Western takes into consideration an existing transmission customer's rollover rights when assessing whether to confirm a new request for Long-Term Firm Point-to-Point Transmission Service. Western posts on OASIS potentially available ATC, including capacity associated with the rollover rights, but it does not grant new transmission service until such rollover rights have expired. This approach allows a customer viewing Western's posted ATC to consider all potentially available ATC and submit a request to obtain a queue position, should the existing transmission customer allow its rollover rights to expire. An OASIS assignment reference and queue time will be given to these new requestors. The new requests will be evaluated with the assumption that the existing transmission customer's rollover rights will rollover. If there is insufficient capacity to accommodate the transmission service request, the requests will follow the system impact study procedure outlined in Section 19 of Western's Tariff.

v. Processes for ensuring that non-firm capacity is released properly:

The Transmission Provider calculates and releases the unused firm transmission capacity as non-firm transmission capacity immediately after the deadline for firm schedule submissions to account for firm transmission capacity which has not been scheduled (tagged).

- c. If a Transmission Provider uses an AFC methodology to calculate ATC, it shall.
- (i) explain its definition of AFC; (ii) explain its AFC calculation methodology,
  - (iii) explain its process for converting AFC into ATC for OASIS posting, (iv) list the

Attachment C

databases used in its AFC assessments; and (v) explain the assumptions used in its AFC assessments regarding load levels, generation dispatch, and modeling of planned and contingency outages.

The Transmission Provider does not use an AFC methodology to calculate ATC.

d. For TRM:

i. Definition of TRM:

**Transmission Reliability Margin (TRM):** The amount of transmission transfer capability necessary to provide reasonable assurance that the interconnected transmission network will be secure, TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change.

ii. TRM calculation methodology:

The Transmission Provider currently reserves TRM to support the activation of operating reserves internally or via participation in a Reserve Sharing Group, if applicable. The Transmission Provider's obligation to deliver reserves is calculated pursuant to the requirements of the Transmission Provider or its applicable Reserve Sharing Group. In addition, the Transmission Provider may include an additional transmission capacity to account for its network customers load forecast error and at certain paths to account for unscheduled flow.

iii. Databases used in TRM assessments:

The Transmission Provider uses a value between 0 to 1 for TRM Coefficient to release a portion of the capacity reserved under TRM as non-firm. The Transmission Provider uses its scheduling system, PI, and SCADA, WECC powerflow and stability models, and associated simulation software in its calculation of TRM.

iv. Conditions under which the Transmission Provider uses TRM:

The Transmission Provider may use TRM for any of the following:

- Transmission necessary for the activation of operating reserves;
- Unplanned transmission outages;
- Simultaneous limitations associated with operating under a nomogram;

Attachment C

- Loading variations due to balancing of generation and load;
- Uncertainty in load distribution and/or load forecast;
- Allowed for unscheduled flow.

e. For CBM:

- i. Identification of the entity who performs the resource adequacy for CBM determination:

The Transmission Provider does not utilize CBM.

- ii. The methodology used to perform the generation reliability assessment:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

- iii. Explanation of whether the assessment method reflects a specific regional practice:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

- iv. Assumptions used in this assessment:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

- v. Basis for the selection of paths on which CBM is set aside:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

f. Additionally for CBM:

- i. Explain definition of CBM:

The transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

- ii. List of databases used in CBM calculations:

The Transmission Provider does not use any databases in its CBM calculation,

Attachment C

- iii. Demonstration that there is no double-counting of outages when performing CBM, TTC and TRM calculations:

Since the Transmission Provider has established CBM as zero on all transmission paths, the Transmission Provider can't double count for outages.

- g. Procedures for allowing use of CBM during emergencies (with explanation of what constitutes an emergency, entities that are permitted to use CBM during emergencies and procedure which is followed by the Transmission Provider's merchant function and other load-serving entities when they need to access CBM:

At this time, the Transmission Provider's Network Customers have not requested CBM set aside, therefore the Transmission Provider does not have CBM set aside.

## **Part II - Upper Great Plains Region**

Western's Upper Great Plains Region (UGPR) joined the Southwest Power Pool, Inc. (SPP) as a transmission owner and transferred functional control of all of its eligible transmission facilities to SPP on October 1, 2015. Transmission service over those UGPR transmission facilities is available solely under the SPP Open Access Transmission Tariff (SPP Tariff). SPP is the Transmission Provider for UGPR's transmission facilities under the SPP Tariff and utilizes SPP's ATC calculation methodology.



## **ATTACHMENT D**

### **Methodology for Completing a System Impact Study**

The Transmission Provider will assess the capability of the Transmission System to provide the service requested using the criteria and process for this assessment as detailed in Sections 4 and 5 of FERC Form 715 submitted to the Commission on behalf of the Transmission Provider by the Western Electricity Coordinating Council (WECC), in those instances where the Transmission Provider is a member of WECC or successor entity (Colorado River Storage Project, Desert Southwest Region, Rocky Mountain Region, and Sierra Nevada Region). The Transmission Provider will use the Southwest Power Pool, Inc. (SPP) System Impact Study methodology, if necessary, when the Transmission Provider is a transmission owning member of SPP (Upper Great Plains Region).

## **ATTACHMENT E**

### **Index of Point-To-Point Transmission Service Customers**

Customer

Date of Service Agreement

(Information is posted on the Transmission Provider's Regional Office Open Access Same-Time Information System.)

(Service Agreement Number)

(Transmission Customer)

Attachment F

## ATTACHMENT F

### Service Agreement for Network Integration Transmission Service

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between the (Region) of Western Area Power Administration (Transmission Provider), and \_\_\_\_\_ (Transmission Customer), each of whom are sometimes hereinafter individually called Party and both are sometimes hereinafter collectively called the Parties. For purposes of this Service Agreement, the Transmission Provider's Transmission Systems consist of the applicable facilities described in Attachment K to the Tariff. The Transmission Provider may revise charges or losses for Network Integration Transmission Service provided under this Service Agreement pursuant to applicable Federal laws, regulations and policies upon written notice to the Transmission Customer.
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Tariff. The Transmission Customer has provided to the Transmission Provider a deposit and nonrefundable application processing fee in accordance with the provisions of Section 29.2 of the Tariff.
- 3.0 Service under this Service Agreement shall commence on the later of (1) \_\_\_\_\_, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as is mutually agreed. Service under this Service Agreement shall terminate on \_\_\_\_\_.
- 4.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff, and this Service Agreement.
- 5.0 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.

Transmission Provider:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Transmission Customer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Service Agreement Number)

(Transmission Customer)

Attachment F

Each Party may change the designation of its representative upon oral notice to the other, with confirmation of that change to be submitted in writing within ten (10) days thereafter.

- 6.0 The Tariff and the “Specifications for Network Integration Transmission Service” as presently constituted or as they may be revised or superseded are incorporated herein and made a part hereof.

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

WESTERN AREA POWER ADMINISTRATION

By \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

(TRANSMISSION CUSTOMER)

(SEAL)

By \_\_\_\_\_

Attest:

Title \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

(Service Agreement Number)

(Transmission Customer)

Attachment F

## Specifications for Network Integration Transmission Service

For purposes of this Service Agreement, the Transmission Provider's Transmission System consists of the facilities of the (Region) as described in Attachment K.

1.0 The Transmission Provider will provide Network Integration Transmission Service over the Transmission Provider's Transmission System for the delivery of capacity and energy from the Transmission Customer's designated Network Resources to the Transmission Customer's designated Network Load. The Transmission Provider will also provide non-firm transmission service from non-designated Network Resources under the terms of this Service Agreement. The loss factors associated with this Network Integration Transmission Service are set forth below. Such losses shall be applied and accounted for as set forth in Section 4.

2.0 Designated Network Resources:

Designated Network Resources & Estimated Maximum Resource (MW)	Point of Receipt	Delivering Party & Voltage

3.0 Designated Network Loads:

Designated Network Load & Estimated Maximum Load (MW)	Point of Delivery	Voltage

#### 4.0 Transmission Losses:

##### 4.1 Loss Factors:

4.1.1 If, based on operating experience and technical studies, the Transmission Provider determines that any of the transmission loss factors on the Transmission Provider's Transmission System differs from the loss factors set forth in this Service Agreement, the Transmission Provider will notify the Transmission Customer of the revised loss factor(s) pursuant to Section 1.0 of this Service Agreement.

4.1.2 Transmission Provider Transmission Loss Factor: For deliveries to the Transmission Customer's Network Load, Transmission Provider transmission losses shall initially be \_\_% and shall be assessed on the power scheduled and transmitted to a point of delivery on the Transmission Provider's Transmission System.

4.2 Transmission losses may be revised by written notice from the Transmission Provider to the Transmission Customer.

5.0 The Transmission Customer's transmission facilities that are integrated with the Transmission Provider's Transmission System will receive \_\_\_\_\_ credit (To be filled in if appropriate). These facilities include the following:

5.1 (To be filled in if appropriate)

5.2 (To be filled in if appropriate)

6.0 Names of any intervening systems with whom the Transmission Customer has arranged for transmission service to the Transmission Provider's Transmission System.

6.1 \_\_\_\_\_

6.2 \_\_\_\_\_

7.0 Power Factor: (To be filled in if applicable in accordance with Section 24.3 of the Tariff)

#### 8.0 Ancillary Services

8.1 Provided by Transmission Provider

8.1.1 Scheduling, System Control, and Dispatch Service

8.1.2 Reactive Supply and Voltage Control from Generation Sources Service

8.2 Provided by Transmission Customer

8.2.1 (To be filled in if appropriate)

(Service Agreement Number)

(Transmission Customer)

Attachment F

## 8.2.2

8.3 Provided by \_\_\_\_\_

8.3.1 (To be filled in if appropriate)

8.3.2

9.0 Net Billing and Bill Crediting Option: The Parties have agreed to implement [Net Billing, Bill Crediting, both Net Billing and Bill Crediting, or neither Net Billing nor Bill Crediting] as set forth in Attachment J.

10.0 Charges for Service: Charges for Network Integration Transmission Service and associated Ancillary Services shall be calculated in accordance with the applicable Rate Schedule(s) attached hereto and made a part of this Service Agreement. The rates or rate methodology used to calculate the charges for service under that schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

[The following section will be included as appropriate at the Transmission Provider's discretion]

11.0 Independent System Operator: The Parties understand that the Transmission Provider may join an independent system operator under Commission jurisdiction. In the event the Transmission Provider either joins or is required to conform to protocols of the independent system operator, the Parties agree that the Transmission Provider either may (1) make any changes necessary to conform to the terms and conditions required by Commission approval of the independent system operator, or (2) terminate this Service Agreement by providing a one-year written notice to the Transmission Customer.



(Service Agreement Number)

(Transmission Customer)

Attachment G

## **ATTACHMENT G**

### **Network Operating Agreement**

To be executed by the Transmission Provider if necessary, at such time as the Transmission Provider has negotiated or offered a Network Integration Transmission Service Agreement. The terms and conditions under which the Network Customer will be required to operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service and this Service Agreement will be specified in a separate Network Operating Agreement.

The Network Operating Agreement will include provisions addressing the following:

- Authorized Representatives of the Parties
- Network Operating Committee
- Load Following
- System Protection
- Redispatch to Manage Transmission Constraints
- Maintenance of Facilities
- Load Shedding
- Operation Impacts
- Service Conditions
- Data, Information and Reports
- Metering
- Communications
- System Regulation and Operating Reserves
- Assignment
- Notices
- Accounting for Transmission Losses

## **ATTACHMENT H**

### **Annual Transmission Revenue Requirement for Network Integration Transmission Service**

- 1.0 The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service is to be set forth in a separate Rate Schedule.
- 2.0 The amount in 1 shall be effective until amended by the Transmission Provider or modified by the Commission pursuant to applicable Federal laws, regulations and policies, and may be revised upon written notice to the Transmission Customer.

## **ATTACHMENT I**

### **Index of Network Integration Customers**

Customer

Date of Service Agreement

(Information is posted on the Transmission Provider's Regional Office Open Access Same-Time Information System.)

## **ATTACHMENT J**

### **Provisions Specific to the Transmission Provider**

#### **1.0 Change of Rates**

Rates applicable under the Service Agreements shall be subject to change by Transmission Provider in accordance with appropriate Rate Adjustment procedures. If at any time the Transmission Provider promulgates a rate changing a rate then in effect under a Service Agreement, it will promptly notify the Transmission Customer thereof. Rates shall become effective as to the Service Agreements as of the effective date of such rate. If the adjustment in the formula or rate results in an increase in the charges for Transmission Customers, the Transmission Customer may terminate the service billed by the Transmission Provider under the Rate Formula Adjustment or Rate Adjustment by providing written notice to the Transmission Provider within ninety (90) days after the effective date of the Rate Formula Adjustment or Rate Adjustment. Said termination shall be effective on the last day of the billing period requested by the Transmission Customer not later than two (2) years after the effective date of the New Rate. Service provided by the Transmission Provider shall be paid for at the New Rate regardless of whether the Transmission Customer exercises the option to terminate service. This provision does not apply in those instances where rates change because the Transmission Provider updates charges pursuant to an existing formula rate.

#### **2.0 Appropriations and Authorizations**

##### **2.1 Contingent Upon Appropriations**

Where activities provided for in the Service Agreement extend beyond the current fiscal year, continued expenditures by the Transmission Provider are contingent upon Congress making necessary appropriations required for the continued performance of the Transmission Provider's obligations under the Service Agreement. In case such appropriation is not made, the Transmission Customer hereby releases the Transmission Provider from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

##### **2.2 Contingent Upon Authorization Language**

In order to receive and expend funds advanced from the Transmission Customer necessary for the continued performance of the obligations of the Transmission Provider under the Service Agreement, additional authorization may be required. In case such authorization is not received, the Transmission Customer hereby releases the Transmission Provider from those contractual obligations and from all liability due to the lack of such authorization.

### 3.0 Covenant Against Contingent Fees

The Transmission Customer warrants that no person or selling agency has been employed or retained to solicit or secure the Service Agreement upon a contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Transmission Customer for the purpose of securing business. For breach or violation of this warranty, the Transmission Provider shall have the right to annul the Service Agreement without liability or in its discretion to deduct from the Service Agreement price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

### 4.0 Contract Work Hours and Safety Standards

The Service Agreement, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C. § 3701, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. §§ 3701-3708, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.

### 5.0 Equal Opportunity Employment Practices

Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that the Transmission Customer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated by reference in the Service Agreement the same as if the specific language had been written into the Service Agreement, except that Indian Tribes and tribal organizations may apply Indian preference to the extent permitted by Federal law.

### 6.0 Use of Convict Labor

The Transmission Customer agrees not to employ any person undergoing sentence of imprisonment in performing the Service Agreement except as provided by 18 U.S.C. § 3622(c), as amended or supplemented, and Executive Order 11755, 39 Fed. Reg. 779 (1973), as amended or supplemented.

### 7.0 Entire Agreement

The Service Agreements, including the Tariff, together with the specifications under such Service Agreement and any completed scheduling forms shall constitute the entire understanding between the Transmission Provider and the Transmission Customer with respect to Transmission Service thereunder.

## 8.0 Power Supply Obligations

The Transmission Provider shall not be obligated to supply capacity and energy from its own sources or from its purchases from other neighboring systems during Interruptions or Curtailments in the delivery by the Transmission Provider or delivery to the Transmission Provider by the Delivering Party of capacity and energy for Transmission Service hereunder, and nothing in the Service Agreement or in the Transmission Customer's agreements with others shall have the effect of making, nor shall anything in the Service Agreement or said agreements with others be construed to require the Transmission Provider to take any action which would make the Transmission Provider, directly or indirectly, a source of power supply to the Transmission Customer, to any Delivering Party or Receiving Party, or to any ultimate recipient other than through the provision of Operating Reserve Service.

## 9.0 Federal Law

Performance under the Tariff and Service Agreement shall be governed by applicable Federal law.

## 10.0 Continuing Obligations

The applicable provisions of the Service Agreement will continue in effect after termination of the Service Agreement to the extent necessary to provide for final billing, billing adjustments and payments, and with respect to liability and indemnification from acts or events that occurred while this Service Agreement was in effect.

## 11.0 Net Billing

As mutually agreed in the Service Agreement, payments due the Transmission Provider by a Transmission Customer may be offset against payments due the Transmission Customer by the Transmission Provider for the use of transmission facilities, operation and maintenance of electric facilities, and other services. For services included in net billing procedures, payments due one Party in any month shall be offset against payments due the other Party in such month, and the resulting net balance shall be paid to the Party in whose favor such balance exists. The Parties shall exchange such reports and information that either Party requires for billing purposes. Net billing shall not be used for any amounts due which are in dispute.

## 12.0 Bill Crediting

As mutually agreed in the Service Agreement, payments due the Transmission Provider by a Transmission Customer shall be paid by a Transmission Customer to a third party when so directed by the Transmission Provider. Any third party designated to receive payment in lieu of the Transmission Provider, and the amount to be paid to that party, will be so identified in writing to a Transmission Customer with the monthly power bill. The payment to the third party shall be due and payable by the payment due date specified on the Transmission Provider's bill. When remitting payment to a designated third party, a Transmission Customer shall indicate that such payment is being made on behalf of the Transmission Provider. The Transmission Provider

shall credit a Transmission Customer for the amount paid as if payment had been made directly to the Transmission Provider. All other payment provisions shall remain in full force and effect.

### 13.0 Costs Associated with United States Bureau of Reclamation and United States Army Corps of Engineers Interconnections

The Transmission Provider and the United States Bureau of Reclamation (Bureau) and the United States Army Corps of Engineers (Corps) have a unique statutory relationship which requires the Transmission Provider to repay to the United States Treasury obligations incurred by those two entities related to the production of power. Requiring the Bureau or Corps to submit deposits to the Transmission Provider or to directly pay for costs associated with interconnection study work under the Tariff, including the Standard Large or Small Generator Interconnection Agreement (LGIA/SGIA) or Standard Large or Small Generator Interconnection Procedures (LGIP/SGIP) found in Attachments L and M respectively of the Transmission Provider's Tariff, will result in additional unnecessary administrative burdens and overhead charges. Therefore, Transmission Provider reserves the right, at the Transmission Provider's discretion, to not require the Bureau or the Corps to pay negotiation costs under the LGIP or SGIP, or submit deposits in whole or in part for study work or for placing reservations in the queue. Transmission Provider will account for these costs under the Transmission Provider's Tariff as if such costs had been paid by the Bureau or Corps, including costs associated with the LGIA/SGIA or LGIP/SGIP.

### 14.0 Participant Funding

The Transmission Provider reserves the right to negotiate participant funding provisions if and when it deems necessary, and to incorporate the results of such negotiations into the LGIA or SGIA. This will allow Transmission Provider to properly and equitably fulfill its responsibility as the transmission provider for various facilities owned by other entities, including facilities in which Transmission Provider has joint ownership.

### 15.0 Liability

The Transmission Provider is only liable for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, 28 U.S.C. § 1346(b), 1346(c), 2401(b), 2402, 2671, 2672, 2674-2680, as amended or supplemented.

### 16.0 Environmental Compliance

Transmission [or Interconnection] Customer recognizes that as a Federal agency, Transmission Provider must comply with various environmental and natural resource laws regulating the construction, operation and maintenance of its transmission facilities, including but not limited to the National Historic Preservation Act, 16 U.S.C § 470 to 470x-6, the National Environmental Policy Act of 1969, 42 U.S.C. §§ 4321-4347, the Endangered Species Act, 16 U.S.C. §§ 1531-1544, and the Archaeological Resources Protection Act of 1979, 16 U.S.C. § 470aa-470mm (2006): and regulations, and executive orders implementing these laws, as they may be amended or supplemented, as well as any other existing or subsequent applicable laws, regulations and



executive orders. Transmission [or Interconnection] Customer shall comply with all environmental laws, regulations and resource protection measures, including but not limited to, any mitigation measures and Best Management Practices associated with the Transmission [or Interconnection] Customer's requested service. Transmission [or Interconnection] Customer understands that the Transmission Provider's decision to execute a Tariff agreement is dependent on conclusions reached in the record of decision under NEPA, or other such appropriate NEPA document, concerning the respective project and that Transmission Provider's NEPA review could result in a decision not to execute a Tariff agreement or to delay Tariff agreement execution. This decision shall not be subject to dispute resolution.

## **ATTACHMENT K**

### **Authorities and Obligations**

Western was established on December 21, 1977, pursuant to Section 302 of the Department of Energy (DOE) Organization Act, Public Law 95-91, dated August 4, 1977. By law, the Bureau of Reclamation provides Federal power resources to its project use customers. By law, Western markets Federal power resources to its electric service customers. Western's transmission system was built primarily to enable the delivery of Federal power to satisfy these obligations.

Western is not a public utility under Sections 205 and 206 of the Federal Power Act and is not specifically subject to the requirements of the Commission's Final Orders related to Open Access Transmission or Generator Interconnections. Western is a transmitting utility subject to Sections 210-213 of the Federal Power Act. The Department of Energy has issued a Power Marketing Administration Open Access Transmission Policy that supports the intent of the Commission's Notice of Proposed Rulemaking for Open Access Transmission.

Use of transmission facilities that Western owns, operates, or to which it has contract rights for delivery of Federal long-term firm capacity and energy to project use and electric service customers is a Western responsibility under the terms and conditions of marketing criteria and electric service contracts implementing statutory obligations to market Federal power. This is complementary with the provisions of the Tariff. Transmission service provided by Western under the Tariff is solely for the use of Available Transfer Capability (ATC) in excess of the capability Western requires for the delivery of long-term firm capacity and energy to project use and electric service customers of the Federal government. Western will offer to provide others transmission service equivalent to the service Western provides itself.

Western's Regional Offices' reserved transmission capacity shall therefore include capacity sufficient to deliver Federal power resources to customers of the Federal government. Nothing in this Tariff shall alter, amend or abridge the statutory or contractual obligations of Western to market and deliver Federal power resources and to repay the Federal investment in such projects. The Tariff provides for transmission service, including each Regional Office's use of those facilities for Third Party Sales, on the unused capability of transmission facilities under the jurisdiction or control of each of Western's Regional Offices not required for the delivery of long-term firm capacity and energy to customers of the Federal government in a manner consistent with the spirit and intent of the Commission's Order Nos. 888 and 890, et seq.

Western has prepared this Tariff and Service Agreements to provide transmission service comparable to that required of public utilities by the Commission's open access orders, and to implement those orders consistent with the DOE Policy. An entity desiring transmission service from Western must comply with the application procedures outlined herein. The review and approval requirements detailed herein will apply to all requesting parties. Western will perform the necessary studies or assessments for evaluating requests for transmission service as set forth in the Tariff. Any facility construction or interconnection necessary to provide transmission service will be subject to Western's General Requirements for Interconnection which are available upon request.

Western will provide Firm and Non-Firm Point-to-Point Transmission Service and Network Integration Transmission Service under this Tariff. The specific terms and conditions for providing transmission service to a customer will be included in a Service Agreement. Operating Procedures, ATC, and System Impact Methodology are defined in the Attachments. Western's rates are developed under separate public processes pursuant to applicable Federal law and regulations. Therefore, rates and charges for specific services will be set forth in the appropriate Regional rate schedules attached to each Service Agreement.

Western has marketed the maximum practical amount of power from each of its projects, leaving little or no flexibility for provision of additional power services. Changes in water conditions frequently affect the ability of hydroelectric projects to meet obligations on a short-term basis. The unique characteristics of the hydro resource, Western's marketing plans and the limitations of the resource due to changing water conditions limit Western's ability to provide generation-related services including Ancillary Services and redispatching using Federal hydro resources.

Western operates in 15 central and western states encompassing a geographic area of 3.38 million-square-kilometers (1.3 million-square-miles). Western has four Customer Service Regional Offices, the Desert Southwest Region, Rocky Mountain Region, Sierra Nevada Region, Upper Great Plains Region, and the Colorado River Storage Project Management Center. Each office is referred to in the Tariff as Regional Office. The addresses for submitting applications to Western's Regional Offices by mail, as well as the respective OASIS links, are available on Western's web site at [www.wapa.gov](http://www.wapa.gov).

### **Colorado River Storage Project Management Center**

The Colorado River Storage Project Management Center (CRSP MC), located in Salt Lake City, Utah, markets power from three Federal multipurpose water development projects; the Colorado River Storage Project (CRSP), the Collbran Project, and the Rio Grande Project, collectively called the Integrated Projects. The hydroelectric facilities associated with these projects include: Flaming Gorge and Fontenelle powerplants on the Green River; Blue Mesa, Morrow Point, and Crystal powerplants on the Gunnison River; Upper and Lower Molina powerplants of the Collbran Project in Western Colorado; the largest of the CRSP facilities, Glen Canyon powerplant on the Colorado River; and Elephant Butte powerplant, part of the Rio Grande Project on the Rio Grande River in South Central New Mexico; McPhee powerplant and Towaoc Canal on the Dolores River in southwestern Colorado. The CRSP transmission system consists of high-voltage transmission lines and attendant facilities extending from Arizona, into New Mexico, through Colorado, and into portions of Utah and Wyoming. The CRSP MC uses the CRSP transmission system to meet its commitments to its Federal customers, point-to-point transmission customers, and exchange power contractors. The CRSP MC must, therefore, reserve sufficient transmission capacity to meet these long-term obligations. The CRSP MC also needs to reserve capacity in its transmission system to enable it to deliver power produced by the Integrated Projects hydroelectric powerplants during periods when flood control water releases produce greater than normal generation levels.

The CRSP MC office, located in Salt Lake City, is a member of the Western Electricity Coordinating Council (WECC).

The CRSP MC does not operate a Control Area and as such may be unable to provide some or all of the services under the Tariff from its Integrated Projects hydroelectric resources, including, but not limited to, certain Ancillary Services.

CRSP MC plans to participate in the Western Energy Imbalance Service Market (WEIS Market) administered by the Southwest Power Pool, Inc. (SPP). Transmission Service provided under the Tariff related to CRSP MC's participation in the WEIS Market, pursuant to Attachment R, is solely in excess of the capability CRSP MC requires for the delivery of long-term firm capacity and energy to CRSP MC's project use and electric service customers.

### **Desert Southwest Region**

The Desert Southwest Region (DSR) manages transmission facilities in the states of Arizona, California, and Nevada. The DSR transmission facilities are interconnected with transmission facilities of several non-Federal entities and its system is operated in the WECC. For the purpose of implementing this Tariff the transmission facilities of the Parker-Davis Projects and the Pacific Northwest-Pacific Southwest Intertie Project (Pacific AC Intertie) will be utilized. For the purpose of implementing this Tariff, references in the Tariff to "deliveries of long-term firm capacity and energy" include the deliveries of Boulder Canyon Project electric service over the DSR Transmission System. DSR manages a control area operations center through its Desert Southwest Regional Office located in Phoenix, Arizona.

DSR participates in the California Independent System Operator's (CAISO) Western Energy Imbalance Market (EIM) as a Balancing Authority Area. Transmission Service provided under the Tariff related to DSR's participation in the EIM, pursuant to Attachment T, is solely in excess of the capability DSR requires for the delivery of long-term firm capacity and energy to DSR's project use and electric service customers.

### **Rocky Mountain Region**

The Rocky Mountain Region (RMR) manages transmission facilities in the states of Colorado, Wyoming, and Nebraska, which were constructed for the primary purpose of marketing power from the Pick-Sloan Missouri Basin Program - Western Division. The RMR office and Control Area operations center is located in Loveland, Colorado and its system is operated in the WECC.

For RMR, the rates for Point-to-Point and Network Integration Transmission Service charged pursuant to the Tariff will be calculated using the costs of the transmission facilities of the Pick-Sloan Missouri Basin Program - Western Division. The rates for the Ancillary Services will be calculated using the costs of the generation facilities of the CRSP within the RMR control area, Pick-Sloan Missouri Basin Program - Western Division and the Fryingpan-Arkansas Project.

RMR plans to participate in the WEIS Market administered by SPP. Transmission Service provided under the Tariff related to RMR's participation in the WEIS Market, pursuant to Attachment R, is solely in excess of the capability RMR requires for the delivery of long-term firm capacity and energy to RMR's project use and electric service customers.

### **Sierra Nevada Region**

The Sierra Nevada Customer Service Region (SNR), located in Folsom, California, manages the Central Valley Project (CVP) transmission facilities in the State of California. These facilities were constructed for the primary purpose of marketing power resources from the CVP. SNR also has ownership rights to capacity in three multi-party transmission systems, the Pacific AC Intertie, the California-Oregon Transmission Project (COTP), and the Los Banos-Gates Transmission Upgrade Project (Path 15). Congress authorized SNR's participation in the Pacific AC Intertie for the purpose of importing power from the Pacific Northwest. COTP rights were acquired pursuant to Public Laws 98-360 and 99-88, primarily for the purpose of delivering power to the United States Department of Energy Laboratories and wildlife refuges in California. Path 15 upgrade rights were also acquired pursuant to Public Laws 98-360 and 99-88. Long-term use of the Pacific AC Intertie, CVP and COTP by third parties is restricted under existing contracts. SNR has turned over operational control of its Path 15 upgrade rights to the CAISO. Therefore, the CAISO, or its successor will offer transmission service on Path 15. SNR is a member of the WECC.

The SNR does not operate a Control Area and as such may be unable to provide some or all of the services under the Tariff, including, but not limited to, certain Ancillary Services.

SNR participates in the CAISO EIM as a sub-Balancing Authority Area. Transmission Service provided under the Tariff related to SNR's participation in the EIM, pursuant to Attachment S, is solely in excess of the capability SNR requires for the delivery of long-term firm capacity and energy to SNR's project use and electric service customers.

### **Upper Great Plains Region**

The Upper Great Plains Region (UGPR) manages transmission facilities in the states of Montana, North Dakota, South Dakota, Nebraska, Minnesota, and Iowa which were constructed for the primary purpose of marketing power from the Pick-Sloan Missouri Basin Program - Eastern Division. The UGPR office is located in Billings, Montana. The UGPR manages a Control Area operations center in Watertown, South Dakota. The eastern portion of the UGPR system is operated in the Midwest Reliability Organization (MRO) region, or successor entity. The western portion of the system is operated in the WECC region.

UGPR joined the Southwest Power Pool, Inc. (SPP) as a transmission owner and transferred functional control of all of its eligible transmission facilities to SPP on October 1, 2015. Transmission service over those UGPR transmission facilities is available solely under the SPP Open Access Transmission Tariff (SPP Tariff). Ancillary services offered by UGPR as a Balancing Authority operator are also solely available under the SPP Tariff.

Any Transmission Customer taking service under this Tariff shall be subject to a Stranded Cost Charge payable to UGPR if such service is used for the transmission of power or energy that replaces wholly or in part, power or energy supplied by Western.

Stranded costs will be recovered only from a Transmission Customer who obtains transmission service under access rights granted through the Transmission Provider's compliance tariff developed pursuant to the Commission's Final Order Nos. 888 and 888-A and other applicable Commission Orders and causes UGPR to incur stranded costs. Stranded costs will be recovered through the terms and conditions of a separate contract entered into by UGPR and the Transmission Customer.

## **ATTACHMENT L**

### **Standard Large Generator Interconnection Procedures Including Standard Large Generator Interconnection Agreement**

[This Attachment L reserved for Western's Commission-approved Standard Large Generator Interconnection Procedures and Agreement, as filed with the Commission and posted on Western's OASIS.]



## **ATTACHMENT M**

### **Standard Small Generator Interconnection Procedures Including Standard Small Generator Interconnection Agreement**

[This Attachment M reserved for Western's Commission-approved Standard Small Generator Interconnection Procedures and Agreement, as filed with the Commission and posted on Western's OASIS.]

## ATTACHMENT N

### North American Energy Standards Board Wholesale Electric Quadrant Standards

The following North American Energy Standards Board Wholesale Electric Quadrant standards are incorporated by reference into Transmission Provider's Tariff as described in section 4.2 therein:

- WEQ-000, Abbreviations, Acronyms, and Definition of Terms, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Oct. 4, 2012, Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-001, Open Access Same-Time Information System (OASIS), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013) excluding Standards 001-9.5, 001-10.5, 001-14.1.3, 001-15.1.2 and 001-106.2.5;
- WEQ-002, Open Access Same-Time Information System (OASIS) Business Practice Standards and Communication Protocols (S&CP), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-003, Open Access Same-Time Information System (OASIS) Data Dictionary Business Practice Standards, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-004, Coordinate Interchange, WEQ Version 003, July 31, 2012 (with Final Action ratified on December 28, 2012);
- WEQ-005, Area Control Error (ACE) Equation Special Cases, WEQ Version 003, July 31, 2012;
- WEQ-006, Manual Time Error Correction, WEQ Version 003, July 31, 2012;
- WEQ-007, Inadvertent Interchange Payback, WEQ Version 003, July 31, 2012;
- WEQ-008, Transmission Loading Relief – Eastern Interconnection, WEQ Version 003, July 31, 2012 (with minor corrections applied November 28, 2012);
- WEQ-011, Gas/Electric Coordination, WEQ Version 003, July 31, 2012;
- WEQ-012, Public Key Infrastructure (PKI), WEQ Version 003, July 31, 2012 (as modified by NAESB final actions ratified on Oct. 4, 2012);

- WEQ-013, Open Access Same-Time Information System (OASIS) Implementation Guide, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response, WEQ Version 003, July 31, 2012; and
- WEQ-021, Measurement and Verification of Energy Efficiency Products, WEQ Version 003, July 31, 2012.

## **ATTACHMENT O**

### **Procedures for Addressing Parallel Flows**

For the Transmission Provider's facilities in the Western Electricity Coordinating Council:

The North American Electric Reliability Corporation's ("NERC") Qualified Path Unscheduled Flow Relief for the Western Electricity Coordinating Council ("WECC"), Reliability Standard WECC-IRO-STD-006-0 filed by NERC in Docket No. RR07-11-000 on March 26, 2007, and approved by the Commission on June 8, 2007, and any amendments thereto, are hereby incorporated and made part of this Tariff. See [www.nerc.com](http://www.nerc.com) for the current version of the NERC's Qualified Path Unscheduled Flow Relief Procedures for WECC.

For the Transmission Provider's facilities in the Eastern Interconnection:

NERC's Transmission Loading Relief (TLR) Procedures originally filed March 18, 1998, which are now the mandatory Reliability Standards that address TLR, and any amendments thereto, on file and accepted by the Commission, are hereby incorporated and made part of this Tariff. See [www.nerc.com](http://www.nerc.com) for the current version of the NERC's TLR Procedures.

## **ATTACHMENT P**

### **Transmission Planning Process**

#### **Overview of Western's Transmission Planning Processes**

The Western Area Power Administration (Western) is a Federal agency under the Department of Energy that markets and transmits wholesale electrical power from 56 federal hydropower plants and one coal-fired plant. Western sells about 40 percent of regional hydroelectric generation in a service area that covers 1.3 million square miles in 15 states. To provide this reliable electric power to most of the western half of the United States, Western markets and transmits about 10,000 megawatts of hydropower across an integrated 17,000-circuit mile, high-voltage transmission system.

Western's customers include municipalities, cooperatives, public utility and irrigation districts, Federal and state agencies, investor-owned utilities (only one of which has an allocation of Federal hydropower from Western), marketers and Native American tribes. They, in turn, provide retail electric service to millions of consumers in Arizona, California, Colorado, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, Texas, Utah and Wyoming.

Western's role in delivering power also includes managing 10 different rate-setting systems. These rate systems are made up of 14 multipurpose water resource projects and one transmission project. The systems include Western's transmission facilities along with power generation facilities owned and operated primarily by the U.S. Bureau of Reclamation, the U.S. Army Corps of Engineers and the U.S. State Department's International Boundary and Water Commission. Western sets power rates to recover all costs associated with our activities, as well as the Federal investment in the power facilities (with interest) and certain costs assigned to power from repayment, such as aid to irrigation development.

Western employees sell power and transmission service, operate transmission and provide maintenance and engineering services. These duty locations include Western's Headquarters Office in Lakewood, Colo., and four regions with offices in Billings, Mont.; Loveland, Colo.; Phoenix, Ariz.; and Folsom, Calif. Western also markets power from the Management Center in Salt Lake City, Utah, and also manages Upper Great Plains Region system operations and maintenance from offices in Bismarck, N.D.; Fort Peck, Mont.; Huron, S.D. and Watertown, S.D.

Since its inception on December 21, 1977, Western and its employees have been dedicated to providing public service, including promoting environmental stewardship, energy efficiency and renewable energy and implementing new technologies to ensure its transmission system is the most reliable possible.

Western's Attachment P is divided into Part I and Part II – Part I outlines the transmission planning process Western uses in the Upper Great Plains Region (UGPR) on both the Eastern

and Western Interconnections, while Part II outlines the process used in the remaining Western regions in the Western Interconnection.

Western's transmission planning process is based on three core objectives:

- Maintain reliable electric service.
- Improve the efficiency of electric system operations, including the provision of open and non-discriminatory access to its transmission facilities.
- Identify and promote new investments in transmission infrastructure in a coordinated, open, transparent and participatory manner.

Western's transmission planning process is intended to facilitate a timely, coordinated and transparent process that fosters the development of electric infrastructure that maintains reliability and meets Network load growth, so that Western can continue to provide reliable low cost electric power to its customers.

The transmission planning process conducted by Western includes a series of open planning meetings that allow anyone, including, but not limited to, network and point-to-point transmission customers, interconnected neighbors, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders, input into and participation in all stages of development of Western's transmission plan.

## **PART I - Upper Great Plains Region**

Western's Upper Great Plains Region (UGPR) joined the Southwest Power Pool, Inc. (SPP) as a transmission owner and transferred functional control of all of its eligible transmission facilities to SPP on October 1, 2015. Transmission service over those UGPR transmission facilities is available solely under the SPP Open Access Transmission Tariff (SPP Tariff). SPP is the Transmission Provider for UGPR's transmission facilities under the SPP Tariff and the UGPR transmission system is included in the SPP Transmission Planning Process under Attachment O of the SPP Tariff.

## **PART II – Western Interconnection of Western's Rocky Mountain, Desert Southwest and Sierra Nevada Regional Offices**

Western coordinates its transmission planning with other transmission providers and stakeholders in the Rocky Mountain – located in Loveland, CO, Desert Southwest – located in Phoenix, AZ, and Sierra Nevada - located in Folsom, CA, Regional Offices, and the Western Interconnection as a whole, through its active participation in the Southwest Area Transmission Planning (SWAT) group, the Colorado Coordinated Planning Group (CCPG), the Sierra

Subregional Planning Group (SSPG), membership in WestConnect<sup>1</sup>, membership in the Western Electricity Coordinating Council (WECC), and participation in the WECC Transmission Expansion Planning Policy Committee (TEPPC) and its Technical Advisory Subcommittee (TAS).

Three subregional planning groups (SPG) operate within the WestConnect footprint: SWAT, CCPG and SSPG. WestConnect's planning effort, which includes funding and provision of planning management, analysis, report writing and communication services, supports and manages the coordination of the subregional planning groups and their respective studies. Such responsibilities are detailed in the WestConnect Project Agreement for Subregional Transmission Planning (WestConnect STP Project Agreement), dated May 23, 2007 (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)). Western is a signatory to this Agreement.

The subregional planning groups within the WestConnect footprint, assisted by the WestConnect planning manager, coordinate with other Western Interconnection transmission providers and their subregional planning groups through TEPPC. TEPPC provides for the development and maintenance of an economic transmission study database for the entire Western Interconnection and performs annual congestion studies at the Western Interconnection region level.

## 1.0 Western Transmission Planning

### 1.1 Western Planning Process.

Participation in Western's planning process is open to all affected parties, including but not limited to all transmission and interconnection customers, state authorities, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders.

#### 1.1.1 Confidential or Proprietary Information

Western's transmission planning studies may include base case data that are WECC proprietary data or classified as Critical Energy Infrastructure Information (CEII) by the Federal Energy Regulatory Commission (FERC). A stakeholder must hold membership in or execute a confidentiality agreement with WECC (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-)

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<sup>1</sup> WestConnect was formed under a memorandum of understanding (MOU) that has been entered into by 13 transmission providing electric utilities in the Western Interconnection. The purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market stakeholders, and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint. Current parties to the WestConnect MOU are: Arizona Public Service Company, El Paso Electric Company, Imperial Irrigation District, Nevada Power Company/Sierra Pacific Power Company, Public Service Company of Colorado, Public Service Company of New Mexico, Sacramento Municipal Utility District, Salt River Project, Southwest Transmission Cooperative, Transmission Agency of Northern California, Tri-State Generation and Transmission Association, Tucson Electric Power Company, and Western Area Power Administration.



[Process.htm](#)) in order to obtain requested base case data from Western. A stakeholder may obtain transmission planning information classified as CEII from Western upon execution of a confidentiality agreement with Western.

#### 1.1.2 Overview

Western's transmission planning process consists of an assessment of the following needs:

- (a) Provide adequate transmission to serve Firm Electric Service (FES) customers.
- (b) Where feasible, identify alternatives such as demand response resources that could meet or mitigate the need for transmission additions or upgrades.
- (c) Access adequate resources in order to reliably and economically serve FES and network loads.
- (d) Provide for interconnection for new generation resources.
- (e) Coordinate new interconnections with other transmission systems.
- (f) Accommodate requests for long-term transmission access.

#### 1.1.3 Western's Transmission Planning Cycle

- (a) Calendar Year Planning Cycle. Western conducts its transmission planning on a calendar year cycle for a ten year planning horizon.
- (b) Annually Updated Ten Year Plan. Western updates its ten year plan annually and publishes an annual Ten Year Transmission Plan document typically in November.

#### 1.1.4 Transmission Customer's Responsibility for Providing Data

- (a) Use of Customer Data. Western uses information provided by its transmission customers to, among other things; assess network load and resource projections (including demand response resources), transmission needs, in-service dates to update regional models used to conduct planning studies.
- (b) Submission of Data by Network Transmission Customers. Network transmission customers shall supply information on their ten year projected network load and network resources (including

demand response resources) to Western on an annual basis. Western requires that this information be submitted electronically to Western Regional Office Contact e-mail address at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm) by March 15 each year.

- (c) Submission of Data by Other Transmission Customers. To maximize the effectiveness of the Western planning process, it is essential that all other transmission customers provide their ten year needs in the form of relevant data for inclusion in the Western transmission planning process. Western requires that this information be submitted electronically to Western Regional Office Contact e-mail address at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm) by March 15 each year. This will facilitate inclusion of transmission customer data in the planning process for the annual transmission plan.
- (d) Transmission Customer Data to be Submitted. To the maximum extent practical and consistent with protection of proprietary information, data submitted by network transmission customers and other transmission customers should include for the ten year planning horizon:
  - i. Generators – planned additions or upgrades (including status and expected in-service dates) and planned retirements.
  - ii. Demand response resources – existing and planned demand resources and their impacts on peak demand.
  - iii. Network customers – forecast information for load and resource requirements over the planning horizon and identification of demand response reductions.
  - iv. Point-to-point transmission customers – projections of need for service over the planning horizon, including transmission capacity, duration, and receipt and delivery points.
- (e) Notification of Material Changes to Transmission Customer Data. Each transmission customer is responsible for timely submittal of written notice to Western of material changes in any of the information previously provided related to the transmission customer's load, resources (including demand response resources), or other aspects of its facilities or operations which may, directly or indirectly, affect Western's ability to provide service.

### 1.1.5 Types of Planning Studies

- (a) Economic Planning Studies. Economic planning studies are performed to identify significant and recurring congestion on the transmission system and/or address the integration of new resources and loads. Such studies may analyze any, or all, of the following: ( i) the location and magnitude of the congestion, ( ii) possible remedies for the elimination of the congestion, in whole or in part, including transmission solutions, generation solutions and solutions utilizing demand response resources, ( iii) the associated costs of congestion ( iv) the costs associated with relieving congestion through system enhancements (or other means), and, as appropriate, (v) the economic impacts of integrating new resources and loads. All economic planning studies will be performed either by a sub-regional planning group or TEPPC, and will utilize the TEPPC public data base.
- (b) Reliability Studies. Western will conduct reliability planning studies to ensure that all transmission customers' requirements for planned loads and resources are met for each year of the ten year planning horizon, and that all NERC, WECC, and local reliability standards are met. These reliability planning studies will be coordinated with the other regional transmission planning organizations through the SWAT, CCPG, and SSPG studies.

### 1.1.6 Economic Planning Study Requests (See Flow Chart Attached as Exhibit 1)

Requesting Economic Planning Studies. Any Western transmission customer or other stakeholder, including transmission solutions, generation solutions and solutions utilizing demand response resources ("Requester") may submit a study request for an economic planning study directly to Western or TEPPC. All requests must be electronically submitted to Western at Western Regional Office Contact e-mail address at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm). Western will not perform economic planning studies but will coordinate the performance of such studies with TEPPC. The economic planning study cycle will be that of the TEPPC process

- (a) Process for Handling Economic Transmission Planning Study Requests by Western. Western shall ensure that any economic planning study requests are properly handled under this Attachment P by:
  - i. TEPPC Master List. Forwarding the Requestor to TEPPC for inclusion in the TEPPC Master List of economic planning

studies for the Western Interconnection and for consideration by TEPPC as a priority request. See Western Attachment P Hyperlinks List

([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)).

- (b) Process for Handling Economic Study Requests Received by TEPPC. TEPPC will review economic planning study requests received from Requesters directly or from Western. TEPPC shall review such study requests during its open stakeholder meeting and, together with its stakeholders, prioritize requests for economic planning studies. Western will participate in the TEPPC prioritization process and provide input as to whether a study request should be included in the TEPPC study plan. The Requester is also encouraged to participate and provide input in the TEPPC prioritization process. For more detail regarding the TEPPC economic planning study process, see the executive summary overview of the TEPPC Transmission Planning Protocol. See Western Attachment P Hyperlinks List ([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)).
- (c) Low Priority Economic Study Requests. If TEPPC determines, after reviewing through an open stakeholder process, that the requested economic planning study is not a priority study, the Requester may have a third party perform the economic planning analysis at the Requester's expense. The Requester will have use of the TEPPC economic study data base and Western will support the Requester in ensuring that the study is coordinated as necessary through local, subregional or regional planning groups.
- (d) Clustering Local Priority Economic Planning Studies. TEPPC may determine that any number of Requesters' economic planning study requests should be studied together with other requests.
- (e) Cost Responsibility for Economic Planning Studies
  - i. Priority and Non-Priority Local Economic Planning Studies. Western cannot fund any Priority and Non-Priority local economic planning studies due to its spending authorization being contingent upon Congressional Appropriations. In the event that Western is requested to perform an economic planning study, Western will, at the Requesters expense, provide its assistance in having a third party perform the economic planning study. The Requester will have use of the TEPPC economic study data base and Western will support

the Requester in ensuring that the study is coordinated as necessary through local, subregional or regional planning groups.

- ii. Priority Regional Economic Planning Studies. Regional economic studies are performed by TEPPC and funded by WECC.

(f) Exchange of Data Unique to Economic Planning Studies

- i. All data used for its economic planning studies from the TEPPC data base.
- ii. Requester's request for detailed base case data must be submitted to WECC in accordance with the WECC procedures.
- iii. All requests made to Western for economic planning studies and responses to such requests shall be posted on the Western OASIS and the WestConnect website (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)), subject to confidentiality requirements.

- (g) Western Point of Contact for Study Requests. Western will identify a Point of Contact on its OASIS to respond to customer/stakeholder questions regarding modeling, criteria, assumptions, and data underlying economic planning studies. See Western Attachment P Hyperlinks List ([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)).

1.1.7 Stakeholder Participation in Western Study Plans and Planning Results. Western will hold a public planning meeting to review and discuss its transmission study plans and planning results (see Part II Section 1.2.2 below).

1.1.8 Western Study Criteria and Guidelines. Requesters should refer to the Western Planning Criteria document for Western planning criteria, guidelines, assumptions and data. The Western Planning Criteria are posted on the OASIS. See Western Attachment P Hyperlinks List ([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)).

1.1.9 Western and Stakeholder Alternative Solutions Evaluation Basis. Western's planning process is an objective process that evaluates use of the transmission system on a comparable basis for all customers. All solution alternatives that have been presented on a timely basis (per Part II

Section 1.1.4 of this Attachment P), including transmission solutions, generation solutions and solutions utilizing demand response resources, whether presented by Western or another Stakeholder, will be evaluated on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder. Solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to practically fulfill the identified need; (2) ability to meet applicable reliability criteria or NERC Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); and (6) where applicable, consistency with State or local integrated resource planning requirements, or regulatory requirements, including cost recovery through regulated rates.

- 1.2 Open Public Planning Meetings. Western will conduct at least two open public planning meetings each year, in coordination with four SWAT open public transmission planning meetings, including one joint meeting with CCPG and SSPG that will allow and encourage customers, interconnected neighbors, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders to participate in a coordinated, nondiscriminatory process for development of Western's transmission plan.

- 1.2.1 Purpose and Scope. Western's open public transmission planning meetings will provide an open transparent forum whereby electric transmission stakeholders can comment and provide advice to Western during all stages of its transmission planning. These public transmission planning meetings will serve to:

- (a) Provide a forum for open and transparent communications among area transmission providers, customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other interested stakeholders;
    - (b) Promote discussion of all aspects of Western's transmission planning activities, including, but not limited to, methodology, study inputs and study results; and
    - (c) Provide a forum for Western to understand better the specific electric transmission interests of all stakeholders.

### 1.2.2 Public Planning Meeting Process.

- (a) Open\_Stakeholder\_Meetings. All public transmission planning meetings will be open to all stakeholders.
- (b) Planning\_Meeting Schedule. Western will establish its public planning meeting schedule as needed, but no less than twice annually.
- (c) Meeting Purpose. Meetings will be conducted to (i) allow Western to maximize its understanding of its customers' forecast needs for Western's transmission system; (ii) offer customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders an opportunity to be informed about, offer input and advice into, Western's transmission system and planning process, as well as to propose alternatives for any upgrades identified by Western; (iii) review study results; and (iv) review transmission plans.
- (d) Coordination with SWAT, CCPG and SSPG. Western's local transmission planning process will be coordinated with the SPGs through quarterly planning meetings described in more detail below (see Part II Section 2.2.7).
- (e) Posting of Meeting Notices. All meeting notices, including date, time, place and draft meeting agenda, will be posted on Western's OASIS and the WestConnect website (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm) <<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>), and distributed to Western customer 30 days prior to the public planning meeting.
- (f) Posting of Study Plans and Planning Results. Study plans and planning results will be posted on Western's OASIS and the WestConnect website (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm) <<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>), and distributed to Western's customers two weeks prior to the public planning meeting.
- (g) Meeting Process. At the public planning meetings, Western will (i) review its transmission planning process and current study plan with stakeholders; (ii) request stakeholder review of the current study plan; (iii) provide an opportunity for comment on any aspect of its transmission planning process; (iv) invite the submittal of



transmission study requests from stakeholders for review and discussion; and (v) provide updates on its planned projects. During the meeting, and for fifteen (15) calendar days following the meeting, all stakeholders and interested parties will be encouraged to provide Western with any comments on the study results presented in the public meeting. The final local study results and study plan will be posted on Western's OASIS and the WestConnect website (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm) <<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>).

- (h) Electronic Input and Comments. Stakeholders and interested parties are also encouraged to provide input, comments, advice and questions on Western's transmission planning process at any time by sending e-mails to Western Regional Office Contact e-mail address at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm) <<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>.
- (i) Public Planning Meeting Agenda.
  - i. It is anticipated that in the 2<sup>nd</sup> Quarter meetings, Western will review information on loads, resources (including demand response resources) and other needs received by March 15 from its transmission customers pursuant to Part II Sections 1.1.4(b) and (c) for inclusion in a draft study plan.
  - ii. It is anticipated that in the 4<sup>th</sup> Quarter meetings, Western will review planning study requests received by each Regional Office pursuant to Part II Section 1.1.6 and present a draft of its ten year plan for stakeholder review and comment.
  - iii. This schedule may be modified to coordinate with the subregional and regional transmission planning processes, subject to posting on Western's OASIS and the WestConnect website (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm) <<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>).
- (j) Western Customer Distribution List. All existing Western customers, network and point-to-point, will be included on the distribution list and actively notified via e-mail of all upcoming public planning meetings. Any other stakeholder, including but

not limited to, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, wanting to be included on Western's e-mail distribution list should submit its information to Western's Point of Contact at Western Regional Office Contact e-mail address at

[www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)  
<<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>.

- (k) Posting of Meeting Documents. Western will post all meeting-related notes, documents and draft or final reports on its OASIS and the WestConnect website (see Western Attachment P Hyperlinks List at

[www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)  
<<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>).

- (l) Posting of Public Documents. In order to permit all stakeholders access to the information posted on the OASIS and WestConnect websites, only public information will be shared, and public business conducted, in the open public planning meetings.

- 1.3 Ten Year Transmission System Plan. Each year Western uses the planning process described in Part II Section 1.1 above to update its Ten Year Transmission System Plan. The Ten Year Transmission System Plan identifies all of its new transmission facilities, 115 kV and above, and all facility replacements/upgrades required over the next ten years to reliably and economically serve its loads.

## 2.0 Subregional and Regional Coordination

Regional Planning and Coordination at the WestConnect-SWAT,-CCPG and-SSPG subregional level.

- 2.1 Overview. Western is a party to the WestConnect STP Project Agreement (see Western Attachment P Hyperlinks List ([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm))), and is actively engaged in the SWAT, CCPG and SSPG planning groups. The WestConnect footprint, which includes the regions covered by SWAT, CCPG and SSPG, encompasses the states of Arizona, Colorado, New Mexico, Nevada, and parts of California, Texas, and Wyoming. Western submits its transmission plans to its relevant subregional transmission planning group as required for inclusion in and coordination with the SPG's transmission plan. Western actively participates in the SPG transmission planning process to ensure that Western's data and assumptions are coordinated with the subregional plan. The WestConnect

planning manager will ensure that the subregional transmission plan is coordinated to produce the WestConnect Transmission Plan.

## 2.2 The Subregional Transmission Planning Process.

- 2.2.1 SWAT,-CCPG and SSPG's Role. Each SPG tasked with bringing transmission planning information together and sharing updates on active projects within the various subregions. The SPG's provide an open forum where any stakeholder interested in the planning of the transmission system in each footprint including sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, can participate and obtain information regarding base cases, plans, and projects and to provide input or express its needs as they relate to the transmission system. SWAT, CCPG and SSPG do not conduct economic planning studies.
- 2.2.2 Membership. The subregional transmission planning groups are comprised of transmission providers, transmission users, transmission operators, state regulatory entities and environmental entities. Membership is voluntary and open to all interested stakeholders including sponsors of transmission solutions, generation solutions and solutions utilizing demand resources. Western will participate in SWAT, CCPG and SSPG and relevant SPG subcommittees and work groups and will submit its Ten Year Transmission Plans to the relevant work groups. Western's Ten Year Transmission Plans will then be incorporated with the SWAT, CCPG and SSPG subregional transmission plans in accordance with the WestConnect STP Project Agreement. See Western Attachment P Hyperlinks List ([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)). Western will incorporate any applicable information, data or study results from SWAT, CCPG or SSPG into its planning process.
- 2.2.3 Subregional Coordination. The SPG's role is to promote subregional transmission planning and development and to ensure that all of the individual transmission plans are coordinated in order to maximize use of the existing transmission system and identify the transmission expansion alternatives that most effectively meet future needs.
- 2.2.4 Open Subcommittee Forum. All SPG subcommittee planning groups provide a forum for entities including sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, within each respective region, and any other interested parties, to determine and study the needs of the region as a whole.

- 2.2.5 Forum for Project Sponsors. The SPGs also provide a forum for transmission project sponsors to introduce their specific projects to interested stakeholders and potential partners and allows for joint study of these projects, coordination with other projects, and project participation, including ownership from other interested parties.
  - 2.2.6 Subregional Open Planning Meetings. All SPG transmission planning process for the high voltage and extra high voltage system is open to all transmission customers and stakeholders wishing to participate. Western will assist transmission customers and stakeholders interested in becoming involved in the subregional transmission planning process including sponsor of transmission solutions, generation solutions, and solutions utilizing demand resources, by directing them to appropriate contact persons and websites. All transmission customers and stakeholders are encouraged to bring their plans for future generators, demand resources, loads or transmission services to the SPG planning meetings.
  - 2.2.7 Meeting Agendas. The meeting agendas for the SPG's, WestConnect, Western and any other planning meetings scheduled in conjunction with the SPG meetings will be sufficiently detailed, posted on the WestConnect website (see Western Attachment P Hyperlinks List ([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm))) and circulated in advance of the meetings in order to allow customers and stakeholders the ability to choose their meeting attendance most efficiently.
- 2.3 WestConnect's Role in the Subregional Transmission Planning Process.
- 2.3.1 WestConnect STP Project Agreement. Each WestConnect party is a signatory to the West Connect STP Project Agreement (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)) which formalizes the parties' relationships and establishes obligations among the signatory transmission providers to coordinate subregional transmission planning among the WestConnect participants and the subregional planning groups (SWAT, CCPG, and SSPG), participate in the SWAT, CCPG and SSPG subregional transmission planning groups, as appropriate, and produce a WestConnect Transmission Plan. The WestConnect STP Project Agreement is also open for participation by other non-WestConnect transmission providers that participate in the transmission planning activities of SWAT, CCPG and SSPG or any other subregional transmission planning group that may form within the WestConnect footprint.
  - 2.3.2. WestConnect Objectives and Procedures for Regional Transmission Planning. Under the WestConnect Objectives and Procedures for

Regional Transmission Planning, Western, along with the other WestConnect STP Project Agreement participants, agrees to work through the SWAT, CCPG and SSPG planning processes to integrate its Ten Year Transmission Plans with the other WestConnect participant transmission plans into one ten year regional transmission plan for the WestConnect footprint by:

- (a) Actively participating in the subregional transmission planning processes, including submitting its respective expansion plan, associated study work and pertinent financial, technical and engineering data to support the validity of Western's plan;
- (b) Coordinating, developing and updating common base cases to be used for all study efforts within the SWAT, CCPG and SSPG planning groups and ensuring that each plan adheres to the common methodology and format developed jointly by WestConnect subregional planning groups for this planning purpose;
- (c) Providing funding for the WestConnect STP Project Agreement planning management functions pursuant to the WestConnect STP Project Agreement;
- (d) Retaining an independent facilitator to oversee the WestConnect STP Project Agreement process, ensure comparability among the subregional processes and perform the study work required to pull all the plans together;
- (e) Maintaining a regional planning section on the WestConnect website where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted; and
- (f) Posting detailed notices on all SWAT, CCPG and SSPG meeting agendas on the WestConnect website. See Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm).

2.3.3. WestConnect Planning Meetings. WestConnect hosts two open public stakeholder meetings for transmission planning per year, one in the 1<sup>st</sup> Quarter and one in the 4<sup>th</sup> Quarter.

2.3.4. WestConnect Role in Economic Planning. WestConnect will provide advice, on an as needed basis, to TEPPC regarding prioritizing regional economic planning study requests and potential clustering of requested regional economic planning studies, if those studies involve facilities in the WestConnect footprint. WestConnect will not conduct economic planning studies.

2.4. Quarterly Schedule of Subregional and Local Transmission Planning Meetings. Western will coordinate with SWAT, CCPG and SSPG in order to assure that quarterly meetings are times in order to allow projects to escalate from local to subregional to regional councils in a timely fashion.

The proposed focus of the SPG meetings, WestConnect transmission planning meetings and Western public planning meetings will be:

2.4.1. 1st Quarter Meetings

SPG Meetings.

- Approve the final SPG reports for the previous year's study work.
- Approve the SPG study plans for the new year.

WestConnect Planning Annual Meeting (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)).

- Present the WestConnect Ten Year Transmission Plan and WestConnect Transmission Planning Study Report to the Planning Management Committee.
- Recommend approval of the WestConnect Ten Year Transmission Plan by the WestConnect Steering Committee.
- Recommend approval of the WestConnect Transmission Planning Study Report by the WestConnect Steering Committee.
- Approve WestConnect study plans for the new year.
- Propose adjustments to the planning process or budget for the current year as necessary or appropriate.

2.4.2. 2nd Quarter Meeting

SPG Meetings.

- Present preliminary SPG study results.

- Determine additional SPG study sensitivities

#### Western Planning Stakeholder Meetings:

- Western reviews its transmission planning process and current study plan with transmission customers and stakeholders, and requests their review, comment and advice on any aspect of its transmission planning process. Additionally, Western reviews information on loads, resources and other needs received by March 31 from its transmission customers.

#### 2.4.3. 3rd Quarter Meeting

##### SPG Meetings.

- Annual Joint SWAT-CCPG-SSPG meeting. SWAT, CCPG and SSPG present current study results and approve key results, findings, and conclusions.
- SWAT specifically invites customer and stakeholder review, comment, advice and transmission study requests for the SWAT transmission planning process.

#### 2.4.4. 4th Quarter Meeting

##### SWAT Meeting:

- Present draft SPG reports for approval with modifications.
- Specifically invite the submittal of transmission study requests from stakeholders for inclusion in their respective study plans.

##### WestConnect Planning Workshop:

- Present each current year study supported by (i) final report or (ii) status summary report.
- Present each WestConnect transmission provider's draft ten year transmission plan. Present proposed study plans from SWAT, CCPG and SSPG.
- Discuss future study needs with input from
  - Study groups
  - TEPPC
  - Other subregional planning groups



- Stakeholders at large
- Draft the WestConnect Ten Year Transmission Plan.
- Draft the WestConnect Transmission Planning Study Report.

Western Planning Stakeholder Meeting:

- Western reviews its transmission planning process and current study plan with stakeholders, and requests stakeholder review, comment and advice on any aspect of its transmission planning process. Additionally, Western reviews planning study requests received and presents a draft of its ten year plan for stakeholder review and comment per each Regional Office calendar.

3.0. Coordination at the Western Interconnection Level

Western will coordinate its plan on a west-wide regional basis through the SPGs and WestConnect. WestConnect will coordinate its subregional plan with the other subregional plans in the Western Interconnection and at the TEPPC level.

3.1. Procedures for Regional Planning Project Review.

3.1.1. WECC coordination of reliability planning.

- (a) WECC develops the Western Interconnection-wide coordinated base cases for transmission planning analysis such as power flow, stability and dynamic voltage stability studies. The WECC approved base cases are used for study purposes by transmission planners, subregional planning groups, and other entities that have signed confidentiality agreements with WECC.
- (b) WECC also maintains a data base for reporting the status of all planned projects throughout the Western Interconnection.
- (c) WECC provides for coordination of planned projects through its Procedures for Regional Planning Project Review.
- (d) WECC's Path Rating Process ensures that a new project will have no adverse effect on existing projects or facilities.

3.1.2. WECC Open Stakeholder Meetings. Western Interconnection-wide economic planning studies are conducted by the WECC TEPPC in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. The WECC-TEPPC Transmission Planning Protocol, including the TEPPC procedures for prioritizing and completing regional economic studies, is posted on the WECC website (see Western Attachment P Hyperlinks List ([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm))). Western participates in the region-wide planning processes, as appropriate, to ensure that data and assumptions are coordinated.

3.1.3. Role of WECC TEPPC. WECC TEPPC provides two main functions in relation to Western's planning process:

- (a) Development and maintenance of the west-wide economic planning study database.
  - i. TEPPC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.
  - ii. TEPPC's database is publicly available for use in running economic congestion studies. For an interested transmission customer or stakeholder to utilize WECC's Pro-Mod planning model, it must comply with WECC confidentiality requirements.
- (b) Performance of economic planning studies. TEPPC has an annual study cycle described in the WECC-TEPPC Transmission Planning Protocol (see Western Attachment P Hyperlinks List ([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm))), during which it will update databases, develop and approve a study plan that includes studying transmission customer high priority economic study requests as determined by the open TEPPC stakeholder process, perform the approved studies and document the results in a report.

#### 4.0. Dispute Resolution

Western Interconnection Western Regional Offices adhere to the WECC Dispute Resolution process.

#### 5.0. Cost Allocation for New Transmission Projects

5.1. Western will utilize a case-by-case approach to allocate costs for new transmission projects. This approach will be based on the following principles:

5.1.1. Open Season Solicitation of Interest. Project sponsor announces project and actively or verbally solicits interest in the project through informational meetings, information posted on the project sponsor's website, and industry press releases. For any transmission project identified in a Western reliability study in which Western is the project sponsor, Western may elect to hold an "open season" solicitation of interest to secure additional project participants. Upon a determination by Western to hold an open season solicitation of interest for a transmission project, Western will:

- (a) Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
- (b) Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.
- (c) Post information via WECC's planning project review reports
- (d) Develop the initial transmission project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.

5.1.2. Western Coordination within a Solicitation of Interest Process.

Western, whether as a project sponsor or a participant, will coordinate as necessary with any other participant or sponsor, as the case may be, to integrate into Western's Ten Year Transmission Plan any other planned project on or interconnected with Western's transmission system.

5.1.3 Western Projects without a Solicitation of Interest.

Western may elect to proceed with small and/or reliability transmission projects without an open season solicitation of interest, in which case

Western will proceed with the project pursuant to its rights and obligations as a transmission provider.

5.1.4 Allocation of Costs.

(a) Proportional Allocation.

For any transmission project entered into pursuant to an open season solicitation process, project costs and associated transmission rights, will generally be allocated proportionally to project participants' respective ownership shares, subject to a negotiated participation agreement. In the event the open season process results in a single participant, the full cost and transmission rights will be allocated to that participant. Nothing in this section precludes project participants from utilizing another cost allocation methodology, provided, all project participants agree to the alternative.

(b) Economic Benefits or Congestion Relief.

For a transmission project wholly within Western's local transmission system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.

(c) Western Rate Recovery.

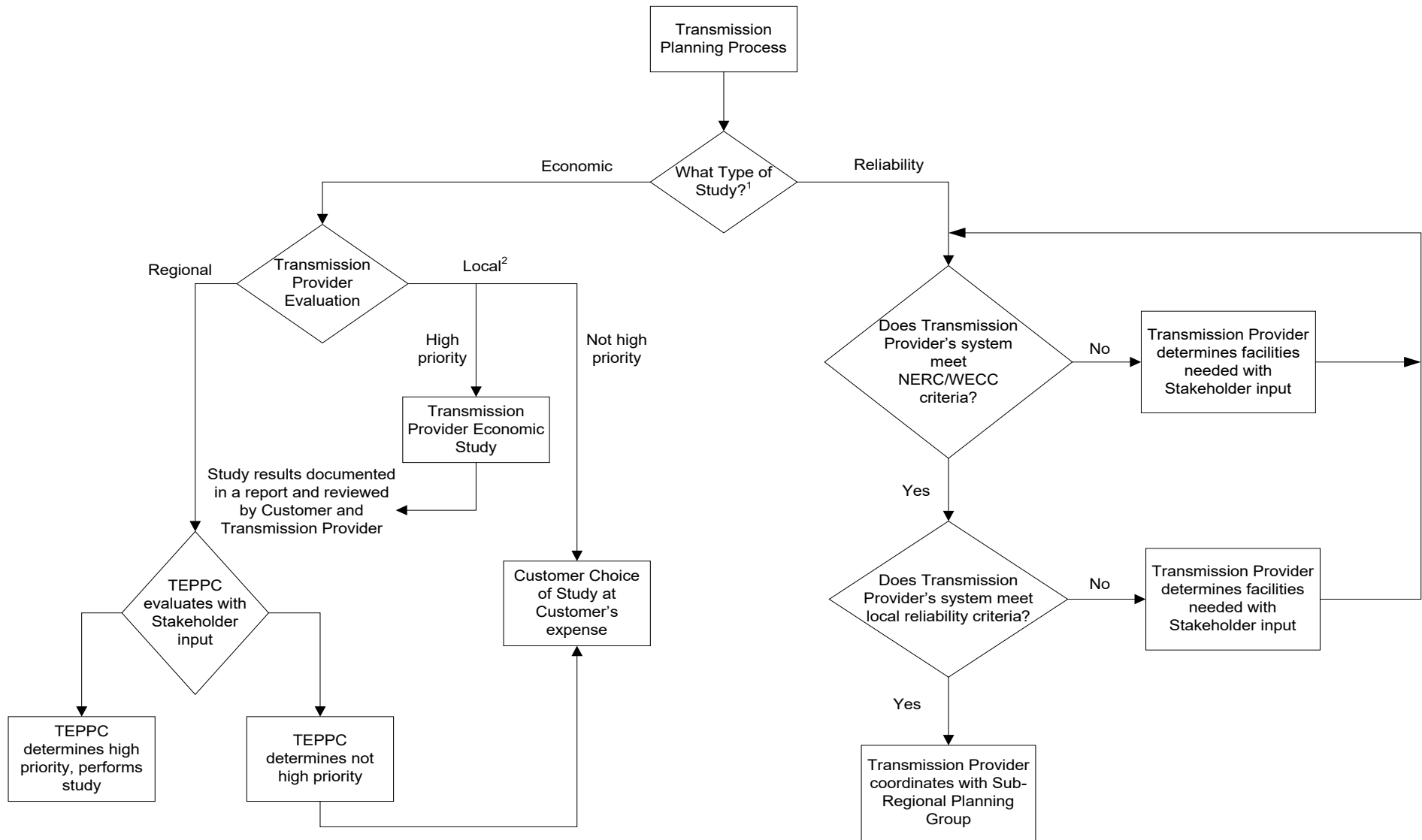
Notwithstanding the foregoing provisions, Western will not assume cost responsibility for any transmission project if the cost of the project is not reasonably expected to be recoverable in its transmission rates.

(d) Exclusions.

The cost for transmission projects undertaken in connection with requests for interconnection or transmission service on Western's transmission system, which are governed by existing cost allocation methods within Western's OATT, will continue to be so governed and will not be subject to the principles of this section 5.1.

# Exhibit 1

Attachment P



1. Generator Interconnection Request studies are performed pursuant to the Large Generator Interconnection Procedure contained in the Transmission Provider's Open Access Transmission Tariff (OATT). Transmission Service Requests are also performed pursuant to OATT procedures.

2. All requests for economic planning studies received by the Transmission Provider are forwarded to TEPPC for inclusion in the TEPPC Master List. TEPPC will evaluate only those requests that have regional impacts.

## ATTACHMENT Q

### Creditworthiness Procedures

#### 1.0 OVERVIEW OF CREDITWORTHINESS POLICY

##### 1.1 Introduction.

1.1.1 Application of Policy. For the purpose of determining the ability of the Transmission Customer to meet its obligations, the Transmission Provider will consistently apply credit review procedures to evaluate the Transmission Customer's credit risk in accordance with standard commercial practices. In addition, the Transmission Provider may require the Transmission Customer to provide and maintain in effect during the term of the Service Agreement financial assurance(s) to meet its responsibilities and obligations.

1.1.2 Creditworthiness Process. The creditworthiness procedures consist of data collection (quantitative, qualitative information), credit evaluation, credit score determination, and overall determination of the Transmission Customer's creditworthiness. The Transmission Customer shall provide information to the Transmission Provider as part of its data collection process and as part of the Transmission Customer's Credit Application, or as part of the periodic review to continue receiving services. For credit qualification purposes, prior to the Transmission Customer receiving service, there must be a completed Credit Application and a creditworthiness evaluation.

##### 1.2 Overview of Procedures.

1.2.1 Entity Definition. In order to differentiate Transmission Customers and clarify determination of a Transmission Customer's credit requirements, the Transmission Customer shall be defined as either a new or existing Public Power Entity or Non-Public Power Entity for calculating credit scores. A Public Power Entity shall be defined as a Transmission Customer that is a not-for-profit organization such as but not limited to municipalities, cooperatives, joint action agencies, Native American Tribes, or any other governmental entity. A Non-Public Power Entity shall be defined as any Transmission Customer that is not a Public Power Entity.

1.2.2 Review. The Transmission Provider shall conduct a creditworthiness review, outlined in Section 3.1 below, of the Transmission Customer using information provided by the Transmission Customer from the data collection process (Section 2.0) and upon its initial request for services

and thereafter pursuant to Section 4.1 or at the request of the Transmission Customer. Existing Transmission Customers with a timely payment history at the date of implementation of this policy will be deemed to have satisfied the creditworthiness requirements at that time and be subject to re-evaluation pursuant to Section 4.1. The Transmission Provider can require the Transmission Customer to provide or increase its provided financial assurances before service will be initiated or continued (Section 4.2)

- 1.2.3 Credit Score. The Transmission Provider shall use the creditworthiness procedures in Section 3.1.1 to establish a credit score for Non-Public Power Transmission Customers. Credit scores will not be calculated for existing Non-Public Power Transmission Customers with a timely payment history at the date of implementation of this policy. Credit scores for such Transmission Customers will be calculated if and when a re-evaluation is required pursuant to Section 4.1. Public Power Transmission Customers will not receive a credit score. Such Transmission Customers will instead be evaluated based on criteria outlined in Section 3.1.2.

## 2.0 DATA COLLECTION

### 2.1 Non-Public Power Entity.

A non-public power entity shall provide the following information to the Transmission Provider as part of the Transmission Provider's creditworthiness evaluation:

- 2.1.1 Agency Ratings. If available to the Transmission Customer, the senior unsecured long-term debt ratings assigned to the Transmission Customer by Standard & Poor's and/or Moody's Investor Service or any other similar bond rating agency, and the long-term issuer rating if the senior unsecured long-term rating is not available.
- 2.1.2 Financial Statements. The two (2) most recent quarters of financial statements signed by the company controller or other authorized company officer AND the two (2) most recent audited annual financial statements [including, but not limited to the balance sheet, income statement, statement of cash flows, management's discussion and analysis, report of independent auditor (audit opinion), and accompanying notes] of the Transmission Customer's Annual Report, 10K, 10Q, or 8K, as applicable.



- 2.1.3 Material Issues/Changes. Any pending information not incorporated in the financial reports that could materially impact the viability of the Transmission Customer including, but not limited to litigation, investigations, arbitrations, contingencies, liabilities, and affiliate relationships.
- 2.1.4 Additional Information. The Transmission Provider may request additional information as it determines is necessary and appropriate for the credit evaluation, and the Transmission Customer shall provide such additional information in a timely manner. At any time, the Transmission Customer may provide the Transmission Provider with additional information that the Transmission Customer considers relevant to the credit evaluation.

## 2.2 Public Power Entity.

A public power entity will answer questions specific to its financial viability on the Credit Application and be evaluated on the criteria set forth in Section 3.1.2.

## 2.3 Information Concerning Material Changes/Issues.

- 2.3.1 The Transmission Customer, public or non-public, must give the Transmission Provider notice of any material change in its financial condition within five (5) business days of the occurrence of the material change. A material change in financial condition includes but is not limited to the following:
  - (a) For entities that initially met the creditworthiness requirements under the policy and are not required to post financial assurance to the Transmission Provider, a change in financial condition that results in a downgrade of long or short-term debt rating by a major bond rating agency or being placed on a credit watch with negative implications by a major credit rating agency; or
  - (b) The resignation of key officer(s); or
  - (c) The issuance of a regulatory order or the filing of a lawsuit that could materially adversely impact current or future results; or
  - (d) A default in payment obligations; or
  - (e) Any new investigations, arbitrations, contingencies or changes in affiliate relationships; or
  - (f) The filing of a voluntary or involuntary petition to institute bankruptcy proceedings under the United States Bankruptcy Code

or any successor statute, or the filing to institute any proceedings under state law concerning actual or potential insolvency.

#### 2.4 Format.

All data must be submitted in the English language. Financial data must be denominated in U.S. currency and conform to U.S. Generally Accepted Accounting Principles (GAAP). The Transmission Provider will maintain any non-public data included in such information on a confidential basis.

#### 2.5 Consolidated Entity.

If the Transmission Customer's financial information is consolidated with other entities, the Transmission Customer must extract and submit as separate documents all data and information related solely to the Transmission Customer. This must include all financial information, associated notes, and all other information that would comprise a full financial report conforming to GAAP.

### 3.0 CREDIT EVALUATION

#### 3.1 Determining Creditworthiness.

##### 3.1.1 Non-Public Power Entities

In order to be found creditworthy, the Transmission Customer must meet the following standards:

- (a) The Transmission Customer is not in default of its payment obligations under the Tariff and has not been in persistent default under the provisions of the Tariff; and
- (b) The Transmission Customer is not on Western's subscribed rating service watch list; and
- (c) The Transmission Customer is not in default of any payment obligation to the Transmission Provider; and
- (d) The Transmission Customer is not in bankruptcy proceedings; and
- (e) The Transmission Customer meets credit score requirements consisting of the following quantitative and qualitative factors. The Transmission Customer shall receive a score for meeting or exceeding each qualitative or quantitative factor. A Non-Public Power Entity may receive a minimum score of zero (0) and a maximum score of six (6), six being best. One point will be awarded for each of the following items.

- i. Total Debt/Total Capital less than 70%.
- ii. EBIT coverage (Earnings Before Interest and Income Taxes/Interest Expense) greater than 1.5 times.
- iii. Current Ratio greater than 1.0.
- iv. Have Cash Flow from Operations to Total Debt (includes short-term debt, long-term debt, current portion of long-term debt, and off-balance sheet operating lease obligations) greater than 10%.
- v. Agency Ratings of investor grade or higher (e.g., S&P of BBB- and/or Moody's Baa3). Transmission provider will use the lower of the ratings if rated by multiple agencies.
- vi. Positive Payment Record with the Transmission Provider (if previous or existing Transmission Customer).

The Transmission Customer will be determined to be creditworthy and granted unsecured credit if it complies with the criteria above and receives a credit score of four (4) or higher.

### 3.1.2 Public Power Entities

Public Power Entities are considered creditworthy and granted unsecured credit if the following exist:

- (a) The Transmission Customer is not in default of its payment obligations under the Tariff and has not been in persistent default under the provisions of the Tariff; and
- (b) The Transmission Customer is not on Western's subscribed rating service watch list; and
- (c) The Transmission Customer is not in default of any payment obligation to the Transmission Provider; and
- (d) The Transmission Customer is not in bankruptcy proceedings; and
- (e) If the Transmission Customer or its guarantor is a federal, state or other governmental agency/entity and its financial obligations are backed by the full faith and credit of the United States, state or other governmental entity as applicable; and/or

- (f) The Transmission Customer has the ability to raise rates to cover outstanding obligations.

### 3.2 Notification.

The Transmission Provider shall notify the Transmission Customer whether it has been found to be creditworthy or whether relevant financial assurance is required within five (5) business days after: (a) receiving the Transmission Customer's applicant with all required information; (b) receiving the Transmission Customer's written request for re-evaluation of creditworthiness with all required information; or (c) determining that a change in creditworthiness status or change in financial assurance is required as determined by the rotational review or other reviews performed pursuant to Section 4.1.

The Transmission Provider shall, upon the Transmission Customer's written request, provide a written explanation of the basis for the Transmission Provider's determination via e-mail within five (5) business days for any: (a) non-creditworthy determination; (b) changes in creditworthiness status; or (c) changes in requirements for financial assurances.

### 3.3 Establishing Credit Limits.

If an entity is determined to be creditworthy no credit limit will be established. For non-creditworthy entities, the credit limit will equal five (5) months of total estimated service charges as determined by the Transmission Provider from time to time. If at any time the Transmission Provider determines according to these creditworthiness standards that the Transmission Customer is not able to fully support its credit exposure based solely on its financial viability, the Transmission Provider may require collateral be provided.

### 3.4 Secured Credit.

#### 3.4.1 Posting Collateral

If collateral is required by the Transmission Provider, the Transmission Customer will be asked to provide an acceptable form of collateral as defined in Section 3.4.3 below within 30 days of the Transmission Provider's request. No service to the Transmission Customer shall commence until this requirement is satisfied.

If service to the Transmission Customer already has commenced (existing Transmission Customer) and the Transmission Customer fails to provide the collateral as defined in Section 3.4.3 below and required by the Transmission Provider within five (5) business days of notification, the Transmission Customer will be deemed in default of its Service Agreement.

### 3.4.2 Required Amount of Collateral

Given the Transmission Provider's current billing practices and payment terms, the required amount of security will be based on the maximum total estimated service charge for five (5) months. This represents the potential value of services rendered prior to termination of service in the event of a default arising from a failure of nonpayment.

### 3.4.3 Acceptable Collateral

Acceptable collateral, totaling five (5) months of estimated service charges, includes:

- (a) Prepayment for service; or
- (b) An unconditional and irrevocable letter of credit as security to meet the Transmission Customer's responsibilities and obligations. If this form of collateral is used, it will comply with the requirements as stated in the Uniform Customs and Practice for Documentary Credits; or
- (c) A cash deposit; or
- (d) An irrevocable and unconditional corporate guaranty from an entity that satisfies the creditworthiness requirements.

## 4.0 RE-EVALUATION

### 4.1 Timeframe.

The Transmission Provider will review its credit evaluation for each Transmission Customer annually. Timely payments will be sufficient evidence for re-affirming the current credit arrangements, barring the reporting of any of the material changes outlined in Section 2.3. The Transmission Provider, at its sole discretion, may conduct additional reviews and updates of its credit evaluation in response to new facts or occurrences that may bear upon the Transmission Customer's creditworthiness due to material changes in financial condition of the Transmission Customer, or if the Transmission Customer fails to pay invoices from the Transmission Provider on time. These updates will follow the procedures set forth in Section 3.1 of this Attachment.

### 4.2 Change in Limit/Collateral.

As a result of the Transmission Provider's creditworthiness review or in response to the Transmission Customer's request for re-evaluation or the Transmission Customer's notice of any material change in its financial condition, the

Transmission Provider may adjust the Transmission Customer's credit limit and collateral requirements in accordance with Section 3.3 and Section 3.4, respectively. If required, additional collateral must be posted in accordance with Section 3.4.1.

The Transmission Customer may make reasonable requests for the Transmission Provider to re-evaluate the Transmission Customer's creditworthiness pursuant to the criteria detailed in Section 3.1.

## 5.0 RIGHT TO DRAW UPON FINANCIAL ASSURANCES UPON DEFAULT

The Transmission Provider shall have the right to liquidate, or draw upon, all or a portion of the Transmission Customer's form of financial assurance(s) in order to satisfy the Transmission Customer's total net obligation to the Transmission Provider upon a default. The Transmission Customer shall within five (5) business days replace any liquidated or drawn-upon financial assurances.

## 6.0 SUSPENSION OF SERVICE

### 6.1 Notification.

Notwithstanding any other provision of this Tariff, if the Transmission Customer fails to provide the entirety of required financial assurances when due under this Attachment, the Transmission Provider may suspend service to such Transmission Customer thirty (30) days after the Transmission Provider's notification to such Transmission Customer. The Transmission Provider will provide at least thirty (30) days written notice to the Commission before suspending service pursuant to this provision.

Any notices sent to the Transmission Customer and to the Commission pursuant to the Attachment may be sent concurrently.

### 6.2 Length of Suspension.

The suspension of service shall continue only for as long as the circumstances that entitle the Transmission Provider to suspend service continue.

### 6.3 Obligation to Pay.

A Transmission Customer is not obligated to pay for transmission service that is not provided as a result of a suspension of service.

## 7.0 CONTESTING CREDITWORTHINESS PROCEDURE DETERMINATIONS

The Transmission Customer may contest a determination by the Transmission Provider by submitting a written notice to the Transmission Provider explaining its reasons for

contesting the determination and include the name of a designated senior representative authorized to represent the Transmission Customer. The written notice of a dispute of a determination by the Transmission Provider under these Creditworthiness Procedures shall be referred to a designated senior representative of the Transmission Provider for resolution on an informal basis with the designated senior representative of the Transmission Customer as promptly as practicable. It is expected that a final written decision from the Transmission Provider will be issued within thirty (30) days, or such other period as the Parties may agree upon by mutual agreement.

## WESTERN AREA POWER ADMINISTRATION CREDIT APPLICATION

Complete all sections of this form and submit by mail or e-mail to:

Western Area Power Administration

ATTN: Accounting and Reporting, Credit Applications (A8220)

P.O. Box 281213

Lakewood, CO 80228-8213

WesternCreditApplications@wapa.gov

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

Applicant Name (Customer): \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Type of Service Requested: \_\_\_\_\_

Expected Monthly Business: \_\_\_\_\_

Federal Tax ID Number: \_\_\_\_\_

DUNS Number: \_\_\_\_\_

Credit Rating (if applicable): \_\_\_\_\_

Credit Manager or Point of Contact: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

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Is your company a subsidiary or affiliate of another company? Yes \_\_\_ No \_\_\_

If Yes, please provide information on the related company:

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

Address: \_\_\_\_\_

\_\_\_\_\_

Federal Tax ID Number: \_\_\_\_\_

DUNS Number: \_\_\_\_\_

Does your company plan to establish credit with a guarantee from the related company listed above? Yes \_\_\_ No \_\_\_

If Yes, all required information necessary for credit qualification is needed from the company guaranteeing credit.

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**Public Power Entities (not-for-profit):**

Is your company a not-for-profit entity (governmental entity)? Yes \_\_\_\_ No \_\_\_\_

If your company is a not-for-profit entity, is it backed by the full faith and credit of a governmental entity (United States, state government or other government, as applicable)?  
Yes \_\_\_\_ No \_\_\_\_ If Yes, state type of governmental entity and provide evidence.

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If your company is a not-for-profit entity, do you have the ability to raise rates to cover outstanding obligations? Yes \_\_\_\_ No \_\_\_\_

Provide any material issues/changes that could impact the viability of the Transmission Customer and/or the credit decision including, but not limited to, litigation, investigations, arbitrations, contingencies, liabilities and affiliate relationships which have occurred within the past year.

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**Non-Public Power Entities:**

To enable the Transmission Provider to conduct the proper analysis required to determine creditworthiness, the information below must be submitted with the Credit Application.

1. Rating agency reports (if applicable).
2. The most recent two quarters of financial statements signed by the company controller or other authorized company officer and the most recent two years of audited financial statements. Financial statements should include, but not be limited to:
  - a. Annual report;
  - b. Balance sheet;
  - c. Income statement;
  - d. Statement of cash flows;
  - e. Management's discussion and analysis;
  - f. Report of independent auditor and accompanying notes for the Annual report, 10K, 10Q or 8K, as applicable.
3. Material issues that could impact the viability of the Transmission Customer and/or the credit decision including, but not limited to, litigation, investigations, arbitrations, contingencies, liabilities and affiliate relationships which have occurred since the last audited financial statements.

Note: The Transmission Provider may request additional information as it determines is necessary and appropriate for the credit evaluation.

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## **ATTACHMENT R**

### **Provisions for the Western Energy Imbalance Service Market (WEIS Market) Administered by Southwest Power Pool, Inc. (SPP)**

#### **1.0 Definitions:**

The following definitions apply only to this Attachment R.

- 1.1 **Balancing Authority:** The responsible entity within the WEIS Market that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.
- 1.2 **Balancing Authority Area:** The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.
- 1.3 **CRCM:** The NERC registered JDTS Provider for WAPA's Colorado River Storage Project Management Center (CRSP MC) transmission facilities included in the Transmission System within the WEIS Market Footprint. Within the WEIS Tariff, the CRSP MC transmission facilities are also referred to as the Salt Lake City Area Integrated Projects (SLCA/IP) transmission.
- 1.4 **Dispatch Interval:** The interval for which SPP issues dispatch instructions for Western Energy Imbalance Service. The Dispatch Interval is currently 5 minutes.
- 1.5 **Joint Dispatch Transmission Service (or JDTS):** Intra-hour non-firm transmission service, as available, across certain transmission facilities of CRSP MC and RMR, as set forth in this Attachment R, which is used to transmit energy dispatched pursuant to the provisions of the WEIS Tariff.
- 1.6 **Joint Dispatch Transmission Service Customer (or JDTS Customer):** Transmission Customer receiving JDTS.
- 1.7 **Joint Dispatch Transmission Service Provider (or JDTS Provider):** A Market Participant that provides JDTS within the Balancing Authority Area of a Balancing Authority participating in the WEIS Market.
- 1.8 **LAPT:** The NERC registered JDTS Provider for WAPA's Rocky Mountain Region (RMR) Loveland Area Projects (LAP) transmission facilities included in the Transmission System within the WEIS Market Footprint.

- 1.9 Market Participant: An entity that generates, transmits, distributes, purchases, or sells electricity in the WEIS Market pursuant to the WEIS Tariff.
- 1.10 Operating Tolerance: The megawatt range of a WEIS Market Resource actual WEIS Market Resource output above and below the WEIS Market Resource's average Setpoint Instruction over the Dispatch Interval where the WEIS Market Resource will not be subject to an Uninstructed Resource Deviation Charge.
- 1.11 Setpoint Instruction: The real-time desired megawatt output signal calculated for a specific WEIS Market Resource by SPP's control system for a specified period.
- 1.12 Uninstructed Resource Deviation Charge: A Market Participant's charge associated with a WEIS Market Resource that is determined to have operated outside an acceptable Operating Tolerance relative to dispatch instructions in accordance with the WEIS Tariff.
- 1.13 Western Energy Imbalance Service (or WEIS): The service defined in Schedule 1 of the WEIS Tariff for the WEIS Market Footprint.
- 1.14 WEIS Market: The market for imbalance energy administered by SPP in the Western Interconnection.
- 1.15 WEIS Market Footprint: The loads and WEIS Market Resources that are located within the Balancing Authority Areas participating in the WEIS Market under the WEIS Tariff.
- 1.16 WEIS Market Resource: A resource defined pursuant to the WEIS Tariff.
- 1.17 WEIS Tariff: The Western Energy Imbalance Service Tariff including all schedules or attachments thereto, as amended from time to time and approved by the Commission.

## 2.0 Applicability:

This Attachment R shall apply to the CRSP MC's CRCM and/or RMR's LAPT transmission facilities included in the Transmission System when CRSP MC and/or RMR are participating in the WEIS Market, respectively. CRCM is the Transmission Provider for the CRSP MC transmission facilities within the WEIS Market Footprint. LAPT is the Transmission Provider for the Loveland Area Projects (LAP) transmission facilities within the WEIS Market Footprint. The Western Area Colorado Missouri (WACM) Balancing Authority is in the WEIS Market Footprint. In the WEIS Market Footprint, RMR administers transmission services under the Tariff for the NERC registered Transmission Providers: CRCM and LAPT.

This Attachment R applies to Transmission Customers in the CRCM and/or LAPT systems outlined above, when CRSP MC and/or RMR are participating in the WEIS Market, respectively.

Participation in the WEIS Market for CRSP MC or RMR shall begin on the later of the date that they join the WEIS Market under an executed Western Joint Dispatch Agreement (WJDA) and the date the WEIS Market goes live in production mode. Participation in the WEIS Market for CRSP MC or RMR shall only cease subsequently on the date that they withdraw from the WEIS Market by terminating their WJDA, or the date the WEIS Market itself is terminated.

### 3.0 Tariff Provisions Modified by WEIS Market Participation:

The following provisions in the Tariff are modified for Transmission Customers in portions of the Transmission System described in this Attachment R when the Transmission Provider is participating in the WEIS Market:

#### 3.1 Network Resources:

3.1.1 Notwithstanding the limitations in Sections 1.27, 30.1, 30.2, and 30.4 of the Tariff, Network Customers may also utilize Network Resources for purposes of fulfilling obligations under the WEIS Market, such as WEIS Market generation dispatch instructions. Notwithstanding the provisions in Section 28.6 of the Tariff, Network Customers may utilize JDTS for purposes of fulfilling obligations under the WEIS Market, such as WEIS Market generation dispatch instructions.

#### 3.2 Ancillary Services:

3.2.1 Notwithstanding the provisions in Sections 3.4 and 3.7 of the Tariff, where applicable, the rates and/or methodology related to Energy Imbalance Service and Generator Imbalance Service when CRSP MC and/or RMR are participating in the WEIS Market and the WEIS Market is providing such total ancillary services requirements for certain loads and generation within the Balancing Authority Area, are described in Schedules 4R and 9R, included in Addendums 1 and 3 to this Attachment R, respectively. When the WEIS Market is not providing such ancillary services, such rates and/or methodology related to Energy Imbalance Service and Generator Imbalance Service are described in Sections 3.4 and 3.7 of the Tariff, respectively.

#### 3.3 Real Power Losses:

3.3.1 Notwithstanding the provisions in Sections 15.7 and 28.5 of the Tariff, the requirements for replacing real power losses associated with the transmission service utilized for WEIS Market dispatch are set forth in Section 4.0(i) of this Attachment R.

### 4.0 Joint Dispatch Transmission Service:

Notwithstanding any limitations in Sections 14 through 16, 18, and 24 through 25 of the Tariff, the Transmission Provider, as the JDTS Provider, shall provide JDTS on the portions of the Transmission System in the CRSP MC's CRCM and/or RMR's LAPT systems included in the WEIS Market Footprint to a JDTS Customer commensurate with, and to accommodate, the energy dispatched within the WEIS Market, as set forth in the WEIS Tariff, as follows:

- (a) Term: JDTS shall be available on a real-time intra-hour basis.
- (b) Reservation Priority: JDTS is non-firm and shall be available from transfer capability in excess of that needed for Transmission Customers taking Transmission Service and Network Integration Transmission Service, respectively, under the Tariff.
- (c) Restrictions on the use of JDTS: JDTS may be used on the Transmission System included in the WEIS Market Footprint only for receipt or delivery of energy dispatched by SPP as administrator of the WEIS Market within a Balancing Authority Area in the WEIS Market pursuant to the provisions of the WEIS Tariff. The JDTS Customer shall not use JDTS for (i) off-system sales of capacity or energy not related to fulfilling obligations under the WEIS Market, such as WEIS Market generation dispatch instructions or (ii) direct or indirect provision of transmission service by the JDTS Customer to any third party.
- (d) Scheduling: JDTS Customers are not required to submit schedules for JDTS.
- (e) Curtailment of JDTS: The Transmission Provider reserves the right to curtail (or cause to be curtailed), in whole or in part, JDTS provided under this Attachment R for reliability reasons when an emergency or other unforeseen conditions threaten to impair or degrade the reliability of the Transmission System or the systems directly or indirectly interconnected with the Transmission Provider's Transmission System.
- (f) Transmission Provider's Limited Obligations to provide JDTS: The Transmission Provider shall have no obligation to plan, construct, or maintain its Transmission System for the benefit of any JDTS Customer.
- (g) Procedures for Arranging JDTS: JDTS does not need to be reserved by the JDTS Customer. No application or service agreement is required.
- (h) Compensation for JDTS: Rates for JDTS are provided in Schedule 8R (Joint Dispatch Transmission Service) included in Addendum 2 to this Attachment R.
- (i) Real Power Losses: Real power loss energy associated with JDTS due to WEIS Market dispatch is addressed in the settlement of imbalance energy pursuant to the WEIS Tariff.

#### 5.0 Other Provisions:

- 5.1      Unreserved Use: Unreserved Use will apply to the amount of actual metered generation in a Dispatch Interval, if any, which is in excess of the positive Operating Tolerance above a WEIS Market Resource's average Setpoint Instruction over such Dispatch Interval in accordance with the Transmission Provider's business practices. Any ancillary service charges that are applicable to such Unreserved Use shall apply.

## **Addendum 1 to Attachment R**

### **SCHEDULE 4R**

#### **Energy Imbalance Service (Within the Western Energy Imbalance Service Market Footprint)**

This Schedule 4R shall apply to the CRSP MC's CRCM and/or RMR's LAPT transmission facilities included in the applicable portions of the Transmission System when CRSP MC and/or RMR, respectively, are participating in the Western Energy Imbalance Service Market (WEIS Market) and the WEIS Market is providing such ancillary service to the Transmission Customer. When the WEIS Market is not providing such ancillary service, Schedule 4 shall apply pursuant to the provisions of Attachment R.

Within the Balancing Authority Area(s) in the WEIS Market Footprint, Energy Imbalance Service is provided when a difference occurs between the expected and the actual delivery of energy within such Balancing Authority Area(s) over a Dispatch Interval. All loads in the WEIS Market will be subject to settlement related to Energy Imbalance Service in the WEIS Market. SPP, as the WEIS Market administrator, will obtain and provide this service under the WEIS Market and will calculate and bill applicable charges and credits. The Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority Area.

The Transmission Customer must either purchase this service from the Transmission Provider, purchase directly from SPP, as the WEIS Market administrator, or make comparable alternative arrangements, which may include arrangements with another entity participating in the WEIS Market who will purchase this service from the WEIS Market, or the use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation.

The Transmission System specific compensation for Energy Imbalance Service is set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the compensation for Energy Imbalance Service upon written notice to the Transmission Customer. Any change to the compensation to the Transmission Customer for Energy Imbalance Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

## **Addendum 2 to Attachment R**

### **SCHEDULE 8R**

#### **Joint Dispatch Transmission Service (For the Western Energy Imbalance Service Market)**

This Schedule 8R shall apply to the CRSP MC's CRCM and/or RMR's LAPT transmission facilities included in the applicable portions of the Transmission System when CRSP MC and/or RMR, respectively, are participating in the Western Energy Imbalance Service Market (WEIS Market).

The JDTS Customer shall compensate the Transmission Provider for JDTS pursuant to the Transmission System specific Joint Dispatch Transmission Service Rate Schedule attached to and made a part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges for JDTS upon written notice to the JDTS Customer. Any change to the charges to the JDTS Customer for JDTS shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the JDTS Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the JDTS Customer in accordance with the rate then in effect.



### **Addendum 3 to Attachment R**

#### **SCHEDULE 9R**

##### **Generator Imbalance Service (Within the Western Energy Imbalance Service Market Footprint)**

This Schedule 9R shall apply to the CRSP MC's CRCM and/or RMR's LAPT transmission facilities included in the applicable portions of the Transmission System when CRSP MC and/or RMR, respectively, are participating in the Western Energy Imbalance Service Market (WEIS Market) and the WEIS Market is providing such ancillary service to the Transmission Customer. When the WEIS Market is not providing such ancillary service, Schedule 9 shall apply pursuant to the provisions of Attachment R.

Within the Balancing Authority Area(s) in the WEIS Market Footprint, Generator Imbalance Service is provided when a difference occurs between the expected and the actual delivery of energy within such Balancing Authority Area(s) over a Dispatch Interval. All resources in the WEIS Market will be subject to settlement related to Generator Imbalance Service in the WEIS Market. SPP, as the WEIS Market administrator, will obtain and provide this service under the WEIS Market and will calculate and bill applicable charges and credits. The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Balancing Authority Area.

The Transmission Customer must either purchase this service from the Transmission Provider, purchase directly from SPP, as the WEIS Market administrator, or make comparable alternative arrangements, which may include arrangements with another entity participating in the WEIS Market who will purchase this service from the WEIS Market, or the use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation.

The Transmission System specific compensation for Generator Imbalance Service is set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the compensation for Generator Imbalance Service upon written notice to the Transmission Customer. Any change to the compensation to the Transmission Customer for Generator Imbalance Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

## ATTACHMENT S

### CAISO Energy Imbalance Market Provisions for Sierra Nevada Region (SNR)

#### WAPA's Participation in EIM

Attachment S provides for participation of WAPA's Sierra Nevada Region (SNR) in the California Independent System Operator Corporation's (CAISO) Western Energy Imbalance Market (EIM). Attachment S is not applicable for transactions occurring outside of SNR.

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## 1 Definitions

The following definitions apply only to this Attachment S.

- 1.1 Balancing Authority (BA): The responsible entity that integrates resource plans ahead of time, maintains load Interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time.
- 1.2 Balancing Authority Area (BAA): For the purpose of this Tariff, the term Balancing Authority Area shall have the same meaning as "Control Area".
- 1.3 Balancing Authority of Northern California (BANC): A joint powers authority that provides BA and other services to its members and other entities within the BAA. Members/entities of BANC may in turn provide Transmission Service to customers.
- 1.4 BANC BAA: Refers to the BAA operated by BANC. WAPA is a Sub-BAA and Transmission Provider within the BANC BAA.
- 1.5 BANC EIM Entity BAA: As used in its concatenated form in the CAISO Tariff or this Tariff, shall include the transmission system that is located within the BANC BAA of the BANC EIM Entity and is represented by E-Tags, an area control error calculation, and revenue quality metering.
- 1.6 CAISO: A state-chartered, California non-profit public benefit corporation that operates the transmission facilities of all CAISO participating transmission owners and dispatches certain generating units and loads. The CAISO is the MO for the EIM.
- 1.7 CAISO BAA or CAISO Controlled Grid: The system of transmission lines and associated facilities of the CAISO participating transmission owners that have been placed under the CAISO's operational control.
- 1.8 Dispatch Instruction: An instruction by the MO for an action with respect to a specific EIM Participating Resource for increasing or decreasing its energy supply or demand.
- 1.9 Dispatch Operating Target: The expected operating point, in MW, of an EIM Participating Resource that has received a Dispatch Instruction from the MO. For purposes of Attachment S of this Tariff, the Dispatch Operating Target means the change in MW output of an EIM Participating Resource due to an EIM bid being accepted and the EIM Participating Resource receiving a Dispatch Instruction. The Dispatch Operating Point is expressed either as a negative MW quantity for the downward movement of generation, or a positive MW quantity for the upward movement of generation.
- 1.10 Dynamic Transfer: The provision of the real-time monitoring, telemetering, computer software, hardware, communications, engineering, energy accounting

(including inadvertent Interchange), and administration required to electronically move all or a portion of the real energy services associated with a generator or load out of one BAA into another. A Dynamic Transfer can be either:

- (a) Dynamic Schedule: A telemetered reading or value that is updated in real time and used as a schedule in the Automatic Generation Control (AGC)/Area Control Error (ACE) equation and the integrated value of which is treated as an after-the-fact schedule for Interchange accounting purposes; or
  - (b) Pseudo-Tie: A functionality by which the output of a generating unit physically interconnected to the electric grid in a native BAA is telemetered to and deemed to be produced in an attaining BAA that provides BA services for and exercises BA jurisdiction over the generating unit.
- 1.11 E-Tag: An electronic tag associated with a schedule in accordance with the requirements of the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC), or the North American Energy Standards Board (NAESB).
- 1.12 EIM Area: The combination of the BANC EIM Entity BAA, the CAISO BAA, and the BAAs of other EIM Entities in the western interconnection.
- 1.13 EIM Entity: A BA that enters into the MO's EIM Entity Agreement to enable the EIM to occur in its BAA. BANC is the EIM Entity for the BANC EIM Entity BAA. For the purpose of this Attachment S, the EIM Entity is the BANC EIM Entity or the entity selected by the BANC EIM Entity who is certified by the MO. WAPA SNR participates in the CAISO Western EIM under the BANC EIM Entity.
- 1.14 EIM Entity Scheduling Coordinator: The BANC EIM Entity or the entity selected by the BANC EIM Entity who is certified by the MO and who enters into the MO's EIM Entity Scheduling Coordinator Agreement.
- 1.15 EIM Participation Agreement (PA): The agreement between BANC and the Transmission Provider (and, in the future, other entities that wish to participate in the EIM through BANC) that establishes respective rights, obligations, and procedures related to EIM participation, as amended from time to time within the BANC BAA.
- 1.16 EIM Participating Resource: A resource or a portion of a resource: (1) that meets the Transmission Provider's eligibility requirements; (2) has been certified by the BANC EIM Entity for participation in the EIM; and (3) for which the generation owner and/or operator enters into the MO's EIM Participating Resource Agreement and any agreements as may be required by BANC and/or the BANC EIM Entity.

- 1.17 EIM Participating Resource Scheduling Coordinator: An entity with one or more BANC EIM Participating Resource(s) or a third-party designated by the Transmission Customer with one or more BANC EIM Participating Resource(s), that is certified by the MO and enters into the MO's EIM Participating Resource Scheduling Coordinator Agreement.
- 1.18 EIM Transfer: The transfer of real-time energy resulting from an EIM Dispatch Instruction: (1) between the BANC EIM Entity BAA and the CAISO BAA; (2) between the BANC EIM Entity BAA and another EIM Entity BAA; (3) between the CAISO BAA and an EIM Entity BAA; or (4) between BANC Sub-BAAs and load serving entities using transmission capacity available in the EIM.
- 1.19 Imbalance Energy: The deviation of supply or demand from the Transmission Customer Base Schedule, positive or negative, as measured by metered generation, metered load, or real-time Interchange or Intrachange schedules.
- 1.20 Interconnection Customer: Any Eligible Customer (or its Designated Agent) that executes an agreement to receive generation Interconnection Service pursuant to Attachments L or M of this Tariff.
- 1.21 Instructed Imbalance Energy (IIE): Settlement charges incurred by the Transmission Provider on behalf of Transmission Customers for instructed deviations, such as those that occur due to operational adjustments to Transmission Customer interchange schedules and Manual Dispatch.
- 1.22 Interchange: E-Tagged energy transfers from, to, or through BAAs not including EIM Transfers.
- 1.23 Intrachange: E-Tagged energy transfers within the BANC BAA, not including real-time actual energy flows associated with EIM Dispatch Instructions.
- 1.24 Manual Dispatch: An operating order issued by the EIM Entity or Transmission Provider to a Transmission Customer with an EIM Participating Resource, outside of the EIM optimization, when necessary to address reliability or operational issues in the Transmission Provider's Sub-BAA or BANC EIM Entity BAA that the EIM is not able to address through economic dispatch and congestion management.
- 1.25 Market Operator (MO): The entity responsible for operation, administration, settlement, and oversight of the EIM. The CAISO is the current MO of the EIM.
- 1.26 MO Tariff: Those portions of the MO's approved tariff, as such tariff may be modified from time to time, that specifically apply to the operation, administration, settlement, and oversight of the EIM.
- 1.27 Operating Hour: The hour when the EIM runs and energy is supplied to load.



- 1.28 Resource Plan: The combination of load, resource, Interchange and Intrachange components of the Transmission Customer Base Schedule, ancillary services base schedules, and bid ranges submitted by EIM Participating Resources.
- 1.29 Sub-Balancing Authority Area (Sub-BAA): An electric power system operating within a host BAA that is bounded by meters and is responsible for BAA-like performance of generation, load and transmission. SNR is a Sub-BAA within the BANC BAA.
- 1.30 Transmission Customer Base Schedule: An energy schedule that provides Transmission Customer hourly-level forecast data and other information used as the baseline by which to measure Imbalance Energy for purposes of EIM settlement. The term "Transmission Customer Base Schedule" as used in this Tariff is synonymous with the term "EIM Participant Base Schedule" used in the EIM Entity's business practices, and may refer collectively to the components of such schedule (resource, Interchange, Intrachange, and load determined pursuant to the EIM Entity's business practices) or any individual components of such schedule.
- 1.31 Uninstructed Imbalance Energy (UIE): Settlement charges incurred by the Transmission Provider on behalf of Transmission Customers due to uninstructed deviations of supply or demand.
- 1.32 WAPA Sub-BAA Transmission Owner: A transmission owner, other than the Transmission Provider, who owns transmission facilities within the WAPA SNR Sub-BAA.

## 2 General Provisions – Purpose and Effective Date

This Attachment S should be read in conjunction with the EIM PA and any prescribed business practices and/or procedures of the Transmission Provider and EIM Entity. Under this Tariff, SNR's participation in EIM is as a Transmission Provider and Sub-BAA under BANC. SNR is not an EIM Entity. Therefore, the provisions of SNR's participation in EIM under this Attachment S are limited and dependent on the EIM implementation and participation decisions of BANC as the EIM Entity. Attachment S is not intended to bind BANC as the EIM Entity. The EIM Entity retains the responsibilities related to establishing respective rights, obligations, and procedures related to EIM participation within the BANC BAA as established through its EIM PA, including requirements for resource registration as described in Section 3 of this Attachment S.

Attachment S shall be in effect for as long as the Transmission Provider participates in EIM through the BANC EIM Entity and until all final settlements are finalized resulting from such implementation or termination. The provisions of Attachment S are subject to change based on changes imposed on the Transmission Provider by the EIM Entity due to modifications of the BANC EIM participation model. Such changes that impact the provisions contained within this Attachment S will be managed through WAPA's Tariff revision process.



Attachment S shall apply to:

- (a) Unless otherwise provided by a legacy agreement, all Transmission Customers and Interconnection Customers, as applicable, with new and existing service agreements under Parts II and III of this Tariff or Attachments L and M of this Tariff;
- (b) All Transmission Customers with legacy agreements that pre-existed this Tariff and that expressly incorporate by reference the applicability of this Tariff and/or this Attachment S in particular; and
- (c) The Transmission Provider's use of the transmission system for service to Native Load Customers, excluding statutory load obligations as defined under Attachment K to this Tariff.

To the extent an Interconnection Customer controls the output of a generator located in the Transmission Provider's Sub-BAA, the Transmission Provider may require the Interconnection Customer to comply with a requirement in this Attachment S that on its face applies to a Transmission Customer to the extent that the Transmission Provider makes a determination, in its sole discretion, that the Interconnection Customer is the more appropriate party to satisfy the requirements of Attachment S than any Transmission Customer.

Attachment S shall work in concert with the provisions of the EIM Entity's EIM PA and any successor or additional agreement(s) required by the EIM Entity, EIM Entity EIM business practices, and the MO Tariff and business practices implementing the EIM to support operation of the EIM. To the extent that this Attachment S is inconsistent with a provision in the remainder of this Tariff with regard to the EIM Entity's administration of the EIM, this Attachment S shall prevail.

This Attachment S governs the relationship between the Transmission Provider and all Transmission Customers and Interconnection Customers subject to this Tariff. This Attachment S does not establish privity between Transmission Customers, the EIM Entity and the MO or make a Transmission Customer subject to the MO Tariff. Transmission Customer duties and obligations related to the EIM are those identified in this Tariff, and those prescribed in business practices of the Transmission Provider and EIM Entity. The MO Tariff and EIM Entity's business practice provisions for EIM Participating Resources and EIM Participating Resource Scheduling Coordinators shall apply to Transmission Customers with EIM Participating Resources.

Notwithstanding the provisions of Section 10.2 of this Tariff, the standard of liability for the actions of the Transmission Provider performed consistent with this Attachment S shall be gross negligence or intentional wrongdoing.

### 3 Registration of EIM Participating Resources

As required by the EIM Entity, Transmission Customers with resources in the Transmission Provider's Sub-BAA shall participate in the EIM as EIM Participating Resources under the terms and conditions defined in the EIM Entity's business practices. Transmission Customers with an EIM Participating Resource must:

- (a) Meet the requirements of this Attachment S, the EIM PA, as that agreement may be amended from time to time, and any successor or additional agreement(s) required by the EIM Entity. It shall be the obligation of the Transmission Customer to initiate registration for EIM Participating Resources, including initiating the EIM PA and additional agreements, with the EIM Entity, and to negotiate any necessary changes in such agreements, directly with the EIM Entity; and
- (b) Follow the related registration and certification process specified in this Attachment S, and any business practices and/or procedures of the Transmission Provider and EIM Entity.

#### 4 EIM Participating Resource Requirements

##### 4.1 Internal Resources – Transmission Rights

The Transmission Customer that owns or controls a resource within the Transmission Provider's Sub-BAA must have associated transmission rights on the Transmission Provider's system based on one of the following:

- (a) The resource is a designated Network Resource of a Network Customer and the Network Customer elects to participate in the EIM through its Network Integration Transmission Service Agreement; or
- (b) The resource is associated with either (i) a Service Agreement for Firm Point-to-Point Transmission Service or (ii) a Service Agreement for Non-Firm Point-to-Point Transmission Service, and such Transmission Customer elects to participate in the EIM.

Notwithstanding the limitations in Section 28.6 of this Tariff, Network Customers utilizing a Network Integration Transmission Service Agreement, and Native Load Customers, may participate in the EIM without a requirement to terminate the designation of any Network Resource that is an EIM Participating Resource consistent with Section 30.3 of this Tariff and without a requirement to reserve additional Point-To-Point Transmission Service for such transactions.

Notwithstanding the limitations in Sections 1.27, 30.1, 30.2, and 30.4 of this Tariff, Network Customers may also utilize Network Resources for purposes of fulfilling obligations under the EIM, such as generation Dispatch Instructions.

##### 4.2 Resources External to Transmission Provider's Sub-BAA

#### 4.2.1 Use of Pseudo-Ties

A resource owned or controlled by a Transmission Customer that is not physically located inside the metered boundaries of the Transmission Provider's Sub-BAA, and operates as a pseudo-tied resource within the Transmission Provider's Sub-BAA, must participate in the EIM as an EIM Participating Resource in accordance with the terms and conditions of such participation as defined in the EIM Entity's business practices.

The Transmission Customer with a pseudo-tied resource participating as an EIM Participating Resource must: (1) implement a Pseudo-Tie into the Transmission Provider's Sub-BAA, provided, however, that the Transmission Customer obtains a written agreement from BANC, the Transmission Provider or other impacted BAAs or BANC Sub-BAAs specifying the roles and obligations of the parties entering into this agreement; (2) arrange firm transmission over any third-party transmission systems to the Transmission Provider's Sub-BAA intertie/intratie boundary equal to the amount of energy that will be Dynamically Transferred through a Pseudo-Tie into the Transmission Provider's Sub-BAA, consistent with a written agreement with the affected parties; and (3) secure transmission service consistent with Section 4.1 of this Attachment S.

#### 4.2.2 Pseudo-Tie Costs

Pseudo-Tie implementation costs shall be allocated in a manner specified in a written agreement with BANC, the Transmission Provider and other impacted BAA and BANC Sub-BAAs and consistent with this Tariff as it may apply to Network Upgrades and Direct Assignment Facilities.

#### 4.3 Request and Certification of EIM Participating Resources

This section should be read in conjunction with the applicable provisions of the EIM Entity's business practices, EIM PA, and any other successor or additional agreement(s) or requirements as prescribed by the EIM Entity.

##### 4.3.1 Request to Become an EIM Participating Resource

Registration of EIM Participating Resources shall be the responsibility of the Transmission Customer and shall be accomplished by the Transmission Customer in accordance with Section 3 of this Attachment S.

All resources seeking interconnection to the Transmission Provider's Transmission System under Attachments L and M of this Tariff must be registered as EIM Participating Resources before initiating trial operations or commercial operations

Transmission Customers shall notify the Transmission Provider in writing when an application is submitted to the EIM Entity to register an EIM Participating Resource, including the anticipated effective date of the Transmission Customer's EIM PA and the anticipated effective date of resource participation as an EIM Participating Resource. The Transmission Customer shall keep the Transmission Provider informed of any significant delays that may impact the anticipated effective date of the Transmission Customer's EIM PA, and any delays to the anticipated effective date of resource participation as an EIM Participating Resource, and/or denial of the Transmission Customer's request by the EIM Entity.

#### 4.3.2 Confirmation Notice

Prior to participation as an EIM Participating Resource, Transmission Customers must meet the requirements of Sections 4.1 or 4.2 of this Attachment S, as applicable, as well as the metering, communication, and data requirements of this Tariff. The Transmission Provider shall provide written confirmation of such to the EIM Entity, as required.

Upon written confirmation by the MO and EIM Entity, the Transmission Customer shall provide written notice to the Transmission Provider regarding the Transmission Customer's resource certification as an EIM Participating Resource.

#### 4.3.3 Resources Not Certified as EIM Participating Resources

Resources within the Transmission Provider's Sub-BAA, including pseudo-tied resources, must be certified by the EIM Entity as EIM Participating Resources. Any costs incurred by the Transmission Provider due to an unregistered or non-certified resource shall be the sole responsibility of the Transmission Customer or Interconnection Customer associated with the resource.

#### 4.3.4 Notice and Obligation to Report a Change in Information

Each Transmission Customer with an EIM Participating Resource has an ongoing obligation to inform the Transmission Provider and the EIM Entity, in accordance with the EIM Entity's business practices or procedures, of any changes to any of the information submitted as part of the application process under this Attachment S.

#### 4.3.5 Termination of EIM Participating Resource Participation

Transmission Customers with resources terminated from being EIM Participating Resources shall remain solely responsible for all EIM related costs and settlements incurred by the Transmission Provider associated

with the resource. Transmission Customers shall notify the Transmission Provider immediately if such termination occurs.

## 5 Roles and Responsibilities

The Transmission Provider's role and responsibilities for participation in EIM are limited as described in this Attachment S of this Tariff. This section should be read in conjunction with the EIM Entity's business practices for EIM.

### 5.1 EIM Entity and the EIM Entity Scheduling Coordinator

BANC performs the functions of the EIM Entity and retains such roles and responsibilities applicable to the EIM Entity. These include but are not limited to the role of the EIM Entity Scheduling Coordinator, as defined in the EIM Entity's EIM business practices and/or procedures, registration of EIM Participating Resources with the MO, establishing MO metering agreements with EIM Participating Resources, EIM settlement allocations from the MO to the Transmission Provider, and management of dispute resolution with the MO for EIM Entity settlement statements. Transmission Customers should refer to the EIM Entity's business practices for detailed information on the roles and responsibilities performed by the EIM Entity.

### 5.2 Transmission Provider Responsibilities

#### 5.2.1 General Responsibilities

##### 5.2.1.1 Determination of EIM Implementation Decisions for the Transmission Provider's Sub-BAA

The Transmission Provider coordinates with the EIM Entity on EIM participation decisions affecting the Transmission Provider's Sub-BAA, including but not limited to:

- (a) **Participation Requirements:** The Transmission Provider coordinates with the EIM Entity and is solely responsible for determining transmission service and associated participation requirements for resources within the Transmission Provider's Sub-BAA. Such requirements of the Transmission Provider are set forth in Section 4 of this Attachment S and are in addition to the resource eligibility and participation requirements established by the EIM Entity through its EIM business practices.
- (b) **Determination of Load Aggregation Points:** The Transmission Provider coordinates with the EIM Entity and MO to determine appropriate Load Aggregation Points. Responsibility for deciding Load Aggregation Points

remains with the EIM Entity in accordance with the EIM Entity's business practices.

- (c) Load Forecast: The Transmission Provider coordinates with the EIM Entity and the MO to determine appropriate load forecast data submission requirements and methods for submission of load within the Transmission Provider's Sub-BAA. Responsibility for deciding load forecast data submission requirements and methods remains with the EIM Entity in accordance with the EIM Entity's business practices.
- (d) EIM Transfer Capability: The Transmission Provider determines appropriate implementation methodologies for establishing EIM Transfer capability for the Transmission Provider's Transmission System.

#### 5.2.1.2 EIM Procedures and Business Practices

The Transmission Provider establishes and revises, as necessary, procedures and business practices to facilitate implementation and operation of the EIM within the Transmission Provider's Sub-BAA. The Transmission Provider shall coordinate with the EIM Entity to ensure alignment with the EIM Entity's business practices and procedures.

#### 5.2.1.3 Determination to Take Corrective Actions in the EIM

The Transmission Provider may take corrective actions in the Transmission Provider's Sub-BAA in accordance with the provisions of Sections 7 and 11 of this Attachment S.

#### 5.2.1.4 Determination to Permanently Terminate Participation in the EIM

The Transmission Provider, in its sole and absolute discretion, may permanently terminate its participation in the EIM by providing notice of termination to the EIM Entity pursuant to the terms of the EIM PA, as it may be amended. In the event the Transmission Provider terminates its participation in EIM, there will be no further service under this Attachment S.

### 5.2.2 Responsibilities to Provide Required Information

#### 5.2.2.1 Provide Modeling Data

The Transmission Provider provides the EIM Entity and/or MO information associated with the Transmission Provider's

transmission facilities within the BANC BAA, including, but not limited to, network constraints and associated limits that must be observed in the BANC BAA network and interties with other BAAs.

#### 5.2.2.2 Provide Outage Data

The Transmission Provider communicates to the EIM Entity and/or MO outage data regarding planned and unplanned outages of transmission facilities and generation resources within the Transmission Provider's Sub-BAA in accordance with Section 8 of this Attachment S and the outage data provisions of the EIM Entity's business practices and procedures.

#### 5.2.2.3 Provide Meter Data

The Transmission Provider submits to the EIM Entity and/or MO load, resource, Interchange and Intrachange meter data, in accordance with the EIM Entity's business practices and the MO Tariff.

### 5.2.3 Day-to-Day EIM Operations

#### 5.2.3.1 Communication of Manual Dispatch Information

The Transmission Provider informs the EIM Entity and/or MO of a Manual Dispatch within the Transmission Provider's Sub-BAA by providing adjustment information for the affected resources in accordance with the EIM Entity's business practices.

#### 5.2.3.2 Determination of EIM Transfer Capability

The Transmission Provider determines amounts of transmission capacity on the Transmission Provider's system available for EIM Transfers consistent with Section 6.2 of this Attachment S.

#### 5.2.3.3 Confirmation of EIM E-Tags

The Transmission Provider confirms EIM dynamic transfer E-Tags on behalf of the EIM Entity for EIM dynamic transfers within the Transmission Provider's Transmission System, in accordance with the EIM Entity's business practices.

### 5.2.4 Settlement of Charges and Payments

The Transmission Provider is responsible for financial settlement of all charges and payments allocated by the EIM Entity and/or MO to the Transmission Provider. The Transmission Provider may sub-allocate EIM



charges and payments to various entities including Transmission Customers.

#### 5.2.5 Dispute Resolution

The Transmission Provider manages dispute resolution consistent with Section 12 of this Tariff and applicable business practices.

### 5.3 Transmission Customer Responsibilities

All Transmission Customers must comply with the requirements of this section, including but not limited to: (1) Transmission Customers with an EIM Participating Resource; (2) Transmission Customers with load within the Transmission Provider's Sub-BAA; and (3) Transmission Customers wheeling through the Transmission Provider's Sub-BAA.

Transmission Customers must also comply with the applicable requirements of the MO Tariff, EIM PA, this Tariff, and any business practices and procedures developed by the MO, EIM Entity and Transmission Provider.

#### 5.3.1 Initial Registration Data

##### 5.3.1.1 Transmission Customers with an EIM Participating Resource

A Transmission Customer with an EIM Participating Resource shall meet the EIM Entity's requirements for providing the EIM Entity with the data necessary to meet the requirements established by the MO to register all resources with the MO as required by the MO Tariff.

#### 5.3.2 Responsibility to Update Required Data

##### 5.3.2.1 Transmission Customers with an EIM Participating Resource

Each Transmission Customer with an EIM Participating Resource has an ongoing obligation to meet the EIM Entity's requirements for informing the MO and EIM Entity of any changes to any of the information submitted by the Transmission Customer provided under Section 5.3.1 of this Attachment S.

#### 5.3.3 Outages

Transmission Customers shall be required to provide planned and unplanned outage information for their resources and transmission facilities in accordance with Section 8 of this Attachment S.

#### 5.3.4 Submission of Transmission Customer Base Schedule



Every Transmission Customer, including Transmission Customers which do not have any resources or load within the Transmission Provider's Sub-BAA, shall meet the EIM Entity's requirements for submitting the Transmission Customer Base Schedule in accordance with the EIM Entity's business practices. Transmission Customers shall provide the same to the Transmission Provider in accordance with the Transmission Provider's EIM business practice and procedures.

#### 5.3.5 Metering for Transmission Customers

To assess imbalance, the MO disaggregates meter data intervals. If the Transmission Customer's meter intervals are not already programmed to meet MO meter intervals, pursuant to a Transmission Customer's applicable interconnection requirements associated with any agreement pursuant to Attachment L & M of this Tariff, to the extent that a Transmission Customer owns the meter or communication to the meter, the Transmission Customer shall be responsible to maintain accurate and timely data to meet the EIM Entity's requirements for metering as defined in the EIM Entity's business practice.

#### 5.3.6 Settlement of EIM Entity or MO Charges and Payments

The EIM Entity is responsible for financial settlement of all charges and payments allocated by the MO to the EIM Entity. The EIM Entity may allocate EIM charges and payments to various entities, including the Transmission Provider. The Transmission Customer shall be responsible for its share of costs allocated directly by the EIM Entity or MO to the Transmission Customer, or indirectly to the Transmission Customer through the Transmission Provider.

Each Transmission Customer that is a BANC EIM Participating Resource Scheduling Coordinator shall provide to the Transmission Provider resource data which the Transmission Provider may not otherwise have access to, but determines necessary for its settlement of services and charges applicable under this Tariff. Such data may include but is not limited to the Transmission Customer's Dispatch Operating Target data for the respective resources it represents that are participating in the EIM and may incur unreserved use charges per Section 9.1.2 of this Attachment S. Transmission Customers shall provide the data to the Transmission Provider in accordance with the Transmission Provider's EIM business practices.

#### 5.3.7 Dispute Resolution

Transmission Customers with EIM Participating Resources shall manage dispute resolution with the MO for any settlement statements they receive directly from the MO and shall provide notice of any such dispute to the

Transmission Provider. Transmission Customers shall manage disputes with the EIM Entity for any settlement they receive directly from the EIM Entity and shall provide notice of any such dispute to the Transmission Provider. Transmission Customers shall manage disputes with the Transmission Provider for any settlement they receive directly from the Transmission Provider consistent with Section 12 of this Attachment S.

## 6 Transmission Operations

This section should be read in conjunction with the EIM Entity's business practices related to facilitation of transmission operations for EIM.

### 6.1 Provision of Transmission System Real-Time Information

The Transmission Provider provides the EIM Entity and/or MO the following information regarding the Transmission Provider's Transmission System:

- (a) Real-time data for the Transmission System and interties;
- (b) Any changes to transmission capacity and the Transmission System due to operational circumstances; and
- (c) EIM Transfer capability consistent with Section 6.2 of this Attachment S.

### 6.2 Provision of EIM Transfer Capability

The Transmission Provider facilitates the provision of transmission capacity for EIM by providing amounts of EIM Transfer capability on the Transmission Provider's system to the EIM Entity and/or MO. The Transmission Provider's implemented methodology for establishing EIM Transfer capability is described in the Transmission Provider's EIM business practices.

#### 6.2.1 Available Transfer Capability

The Transmission Provider facilitates the provision of transmission capacity for EIM Transfers by providing the EIM Entity and/or MO with information about the amounts of transmission capacity on the Transmission Provider's Transmission System available for EIM Transfers utilizing Available Transfer Capability (ATC). The Transmission Provider facilitates the provision of EIM Transfer capacity corresponding to ATC by submitting such capacity in accordance with the EIM Entity and Transmission Provider's business practices.

## 7 System Operations under Normal and Emergency Conditions

### 7.1 Compliance with Reliability Standards

Participation in the EIM shall not modify, change, or otherwise alter the manner in which the Transmission Provider operates its Transmission System consistent with applicable reliability standards, including adjustments.

Participation in the EIM shall not modify, change, or otherwise alter the obligations of the EIM Entity, Transmission Provider, or Transmission Customers to comply with applicable reliability standards.

## 7.2 Good Utility Practice

Transmission Customers shall comply with Good Utility Practice with respect to this Attachment S.

## 7.3 Management of Contingencies and Emergencies

### 7.3.1 EIM Disruption

If the MO declares an EIM disruption in accordance with the MO Tariff, the Transmission Provider promptly informs the EIM Entity and/or MO of actions taken in response to the EIM disruption by providing adjustment information, updates to E-Tags, transmission limit adjustments, or outage and de-rate information, as applicable and in accordance with the EIM Entity's business practices.

### 7.3.2 Manual Dispatch

The Transmission Provider may take corrective actions within its transmission system, including issuing a Manual Dispatch order to a Transmission Customer in the Transmission Provider's Sub-BAA, outside of EIM optimization to address reliability or operational issues in the Transmission Provider's Sub-BAA that the EIM is not able to address through normal economic dispatch and congestion management.

The Transmission Provider informs the EIM Entity and/or MO of a Manual Dispatch as soon as possible, and in accordance with the EIM Entity's business practice.

## 8 Outages

The Transmission Provider communicates outage data regarding planned and unplanned outages of transmission facilities, and EIM Participating Resources, located within the Transmission Provider's Sub-BAA in accordance with the outage data provisions of the EIM Entity's business practices and procedures, as those may develop and evolve over time. The EIM Entity retains ultimate responsibility for establishing outage submission requirements for the BANC EIM Entity BAA, and for communicating planned and unplanned outages to the MO in accordance with the MO tariff.

## 8.1 Transmission Provider Transmission Outages

### 8.1.1 Planned Transmission Outages and Known Derates

The Transmission Provider submits information regarding planned transmission outages and known derates on the Transmission Provider's Transmission System to the EIM Entity and/or MO in accordance with the EIM Entity's business practices and procedures. The Transmission Provider updates the submittal if there are changes to the transmission outage plan.

### 8.1.2 Unplanned Transmission Outages

The Transmission Provider submits information regarding unplanned transmission outages or derates on the Transmission Provider's Transmission System to the EIM Entity and/or MO in accordance with the EIM Entity's business practices and procedures.

## 8.2 WAPA Sub-BAA Transmission Owner Outages

Unless agreed to otherwise by the Transmission Provider, Transmission Customers that are also Transmission Owners inside the Transmission Provider's Sub-BAA shall provide the Transmission Provider with planned and unplanned transmission outage data in accordance with the Transmission Provider's business practices.

The Transmission Provider may pass through outage information received to the EIM Entity and/or MO.

## 8.3 EIM Participating Resource Outages

### 8.3.1 Planned EIM Participating Resource Outages and Known Derates

Transmission Customers shall submit information regarding planned resource outages and known derates to the Transmission Provider and EIM Entity and/or MO in accordance with the Transmission Provider and EIM Entity's business practices. Transmission Customers shall update outage submittals if there are any changes to the resource outage plan.

The Transmission Provider may pass through outage information received from the Transmission Customer to the EIM Entity and/or MO.

### 8.3.2 Unplanned EIM Participating Resource Outages or Derates

In the event of an unplanned outage or derate required to be reported under the MO Tariff or EIM Entity's business practices, the Transmission Customer is responsible for notifying the Transmission Provider and EIM

Entity and/or MO in accordance with the Transmission Provider and EIM Entity's business practices and procedures.

The Transmission Provider may pass through outage information received from the Transmission Customer to the EIM Entity and/or MO.

## 9 EIM Settlements and Billing

The EIM Entity's business practices, or other written instrument or schedule as determined by the EIM Entity, includes information on the specific charges applicable to EIM settlements for the BANC EIM Entity BAA, including those that may be incurred by the Transmission Provider. For EIM settlements incurred by the Transmission Provider, the Transmission Provider shall settle EIM related charges through the schedules promulgated in the addendums of this Attachment S.

The Transmission Provider shall also develop and maintain business practices detailing the settlement allocation practices associated with EIM charges, as details of such settlement allocation practices are subject to evolution based on the settlement decisions and practices of the EIM Entity. The Transmission Provider's business practices for EIM settlements shall be posted on the Transmission Provider's OASIS. Revisions to the posted settlement practices shall be managed through public stakeholder processes.

### 9.1 EIM Transmission Charges

#### 9.1.1 EIM Transmission Service

Unless subsequently imposed by the MO as part of the MO Tariff and promulgated by WAPA through rate proceedings, there shall be no incremental transmission charge assessed for transmission use related to the EIM. Transmission Customers must have transmission service rights, as provided in Section 4 of this Attachment S.

#### 9.1.2 EIM Unreserved Use

EIM Participating Resources within the Transmission Provider's Sub-BAA will not incur unreserved use charges solely as a result of EIM Dispatch Instruction. For uses that exceed the EIM Dispatch Instruction, the Transmission Provider will assess unreserved use in accordance with the Transmission Provider's business practices and settle such charges under Schedule 10 of this Tariff. Any ancillary service charges that are applicable to Schedule 10 charges shall apply and shall include Schedule 1 and Schedule 1S of this Tariff.

#### 9.1.3 EIM Transmission Losses

Transmission Customers shall be assessed real power losses against the Transmission Customer Base Schedule as a product of the applicable loss

factors provided in Sections 15.7 and 28.5 of this Tariff, and in accordance with the Transmission Provider's business practices.

Settlement of real power losses associated with EIM Energy Imbalance Service shall be pursuant to Schedule 4S of this Tariff, and settlement of Real Power Losses associated with EIM Generator Imbalance Service shall be pursuant to Schedule 9S of this Tariff.

#### 9.2 EIM Administrative Service

The Transmission Provider shall settle EIM administrative service costs with Transmission Customers through Schedule 1S of this Tariff. This settlement recovers the administrative costs for participation in the EIM by the Transmission Provider, including but not limited to such administrative charges as may be incurred by the Transmission Provider from the MO and/or EIM Entity.

#### 9.3 EIM Energy Imbalance Service

Notwithstanding the provisions of Section 3.4 of this Tariff, the rates and/or methodology related to Energy Imbalance Service when the Transmission Provider is participating in the EIM are described in Schedule 4S of this Tariff. Otherwise, such rates and/or methodology related to Energy Imbalance Service are described in Section 3.4 of this Tariff.

Energy Imbalance Service settlements incurred by the Transmission Provider during EIM participation shall be settled with Transmission Customers through Schedule 4S of this Tariff. Charges may include:

- (a) Uninstructed Imbalance Energy (UIE)
- (b) Under-Scheduling Load
- (c) Over-Scheduling Load
- (d) Distribution of Under-Scheduling and Over-Scheduling Proceeds

#### 9.4 EIM Generator Imbalance Service

Notwithstanding the provisions of Section 3.7 of this Tariff, the rates and/or methodology related to Generator Imbalance Service when the Transmission Provider is participating in the EIM are described in Schedule 9S of this Tariff. Otherwise, such rates and/or methodology related to Generator Imbalance Service are described in Section 3.7 of this Tariff.

Generator Imbalance Service settlements incurred by the Transmission Provider during EIM participation shall be settled with Transmission Customers through Schedule 9S of this Tariff. Charges may include:

- (a) Instructed Imbalance Energy (IIE)
- (b) Uninstructed Imbalance Energy (UIE)

#### 9.5 Other EIM Settlements

All additional EIM related settlements incurred by the Transmission Provider shall be allocated to Transmission Customers through EIM rates in accordance with the Transmission Provider's business practices as posted on the Transmission Provider's OASIS. Such charges may include:

- (a) Unaccounted for Energy (UFE)
- (b) EIM Uplifts
- (c) Allocation of Operating Reserves

#### 9.6 MO Tax Liabilities

Any charges to the Transmission Provider from the EIM Entity pursuant to the MO Tariff for MO tax liability as a result of the EIM shall be sub-allocated to those Transmission Customers triggering the tax liability.

#### 9.7 EIM Payment Calendar

The Transmission Provider will follow the payment calendar established by the EIM Entity.

#### 9.8 Market Validation and Price Correction

If the MO or EIM Entity modifies the Transmission Provider's EIM settlement statement in accordance with the MO's market validation and price correction procedures in the MO Tariff, the Transmission Provider may make corresponding or similar changes to the charges and payments sub-allocated under this Attachment S.

### 10 Compliance

#### 10.1 Provision of Data

Transmission Customers are responsible for complying with the EIM Entity's business practices regarding information requests they receive directly from the EIM market monitor or regulatory authorities concerning EIM activities.

A Transmission Customer must provide the EIM Entity and/or Transmission Provider with all data necessary to respond to information requests received by



the EIM Entity and/or the Transmission Provider from the MO, the EIM market monitor, or regulatory authorities concerning EIM activities.

If the Transmission Provider is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence, the Transmission Provider may disclose such information; provided, however, that upon the Transmission Provider learning of the disclosure requirement and, if possible, prior to making such disclosure, the Transmission Provider shall notify any affected party of the requirement and the terms thereof. The affected party can, at its sole discretion and own cost, direct any challenge to or defense against the disclosure requirement. The Transmission Provider shall cooperate, to the extent allowed by law, with the affected party to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

The Transmission Provider shall treat Transmission Customer and Interconnection Customer market sensitive data as confidential, unless the Transmission Provider is otherwise allowed or required to disclose such information. The Transmission Provider shall continue to abide by the Commission's Standards of Conduct and handle customer information accordingly.

## 10.2 Rules of Conduct

These rules of conduct are intended to provide fair notice of the conduct expected and to provide an environment in which all parties may participate in the EIM on a fair and equal basis.

Transmission Customers must:

- (a) Comply with Dispatch Instructions and the EIM Entity or Transmission Provider operating orders in accordance with Good Utility Practice. If some limitation prevents the Transmission Customer from fulfilling the action requested by the MO, EIM Entity, or Transmission Provider, the Transmission Customer must immediately and directly communicate the nature of any such limitation to the Transmission Provider and EIM Entity in accordance with the EIM Entity and Transmission Provider's business practices;
- (b) Submit bids for resources that are reasonably expected to both be and remain available and capable of performing at the levels specified in the bid, based on all information that is known or should have been known at the time of submission;
- (c) Notify the MO, EIM Entity, and/or the Transmission Provider, as applicable, of outages in accordance with Section 8 of this Attachment S;



- (d) Provide complete, accurate, and timely meter data in accordance with the metering and communication requirements of this Tariff, and associated EIM Entity and Transmission Provider's business practices, and maintain responsibility to ensure the accuracy of such data communicated by any customer-owned metering or communications systems. To the extent such information is not accurate or timely, the Transmission Customer shall be responsible for any consequence on settlement and billing;
- (e) Provide information, including the Outage, Base Schedule, and Compliance information requested in this Attachment S, by the applicable deadlines and in accordance with the EIM Entity and Transmission Provider's business practices; and
- (f) Utilize commercially reasonable efforts to ensure that forecasts are accurate and based on all information that is known or should have been known at the time of submission to the EIM Entity and/or MO.

### 10.3 Enforcement

The Transmission Provider may refer a violation of Section 10.2 of this Attachment S to the EIM Entity, and/or MO for further action.

## 11 Market Contingencies

### 11.1 Temporary Suspension by the MO or EIM Entity

In the event that the MO or EIM Entity implements a temporary suspension in accordance with the MO Tariff or EIM Entity's business practices or procedures, the Transmission Provider shall utilize Schedules 4 and 9 and Sections 15.7 and 28.5 of this Tariff until the temporary suspension is no longer in effect or, if the MO determines to extend the suspension, for a period of time sufficient to process termination of the Transmission Provider or EIM Entity's participation in the EIM in accordance with applicable agreements and the EIM Entity's business practices.

Any EIM related service charges that continue to be incurred by the Transmission Provider during temporary suspension, as provided by the EIM Entity's business practices, shall be settled in accordance with the applicable schedules promulgated in the addendums of this Attachment S.

### 11.2 Termination of Participation in EIM – EIM Entity

The Transmission Provider shall notify Transmission Customers if the EIM Entity submits a notice of termination of its participation in the EIM to the MO. In the event the EIM Entity terminates participation in the EIM, and no successor arrangements are established for the Transmission Provider's continued

participation in EIM, this Attachment S shall terminate concurrently with that termination and in accordance with the provisions defined in Section 2 of this Attachment S.

Transmission Customers shall remain obligated for settlement of any charges imposed by the MO or EIM Entity on the Transmission Provider subsequent to such notice of termination by the EIM Entity. Such settlement obligation shall continue until all MO and EIM Entity charges imposed on the Transmission Provider are finally settled.

#### 11.3 Termination of Participation in EIM – Transmission Provider

If the Transmission Provider submits a notice of termination of its participation in the EIM to the EIM Entity in accordance with the EIM PA and applicable agreements, the Transmission Provider shall continue to provide EIM transmission service under this Attachment S until such time that the termination is effective, with such effective date to be based on the EIM PA and applicable agreements.

If the Transmission Provider takes action under this Section 11.3, the Transmission Provider shall notify Transmission Customers, and provide notice of the effective date of termination. In the event the Transmission Provider terminates participation in the EIM, this Attachment S shall terminate concurrently with that termination and in accordance with the provisions defined in Section 2 of this Attachment S.

Transmission Customers shall remain obligated for settlement of any charges imposed by the MO or EIM Entity on the Transmission Provider, and those assessed by the Transmission Provider, in accordance with Section 9 of this Attachment S, subsequent to notice of termination. Such settlement obligation shall continue until all EIM related charges are finally settled by the MO, EIM Entity, and the Transmission Provider as such settlements may be subject to adjustment by the MO beyond the effective date of termination by the Transmission Provider.

#### 11.4 Management of Contingencies and Emergencies

The Transmission Provider may declare a temporary contingency and notify the EIM Entity to invoke corrective actions for the EIM when in its judgment:

- (a) Operational circumstances (including a failure of the EIM to produce feasible results in the Transmission Provider's Sub-BAA) have caused or are in danger of causing an abnormal system condition in the Transmission Provider's Sub-BAA that requires immediate action to prevent loss of load, equipment damage, or tripping system elements that might result in cascading outages, or to restore system operation to meet

the applicable Reliability Standards and reliability criteria established by NERC and WECC; or

- (b) Communications between the MO and the EIM Entity or Transmission Provider are disrupted and prevent the Transmission Provider, EIM Entity, EIM Entity Scheduling Coordinator, or an EIM Participating Resource Scheduling Coordinator from accessing MO systems to submit or receive information.

#### 11.4.1 Corrective Actions for Temporary Contingencies

If either of the above temporary contingencies occurs, the Transmission Provider may notify the EIM Entity of such condition and may request the EIM Entity invoke corrective actions through the MO, in accordance with EIM Entity's business practices.

When corrective actions are implemented that result in suspension of EIM settlement charges for the EIM Entity, or if the MO Tariff requires the use of temporary schedules to set an administrative price, the Transmission Provider shall utilize Schedules 4 and 9 and Sections 15.7 and 28.5 of this Tariff.

If the Transmission Provider takes action under this Section 11.4, and/or the EIM Entity implements corrective actions with the MO, the Transmission Provider shall notify Transmission Customers. The Transmission Provider, EIM Entity and the MO shall cooperate to resolve the temporary contingency event and restore full EIM operations as soon as is practicable.

Any EIM related service charges that continue to be incurred by the Transmission Provider during temporary suspension and/or contingency, as provided by the EIM Entity's business practices, shall be settled in accordance with the applicable schedules promulgated in the addendums of this Attachment S.

## 12 EIM Disputes

### 12.1 Between the Transmission Provider and EIM Entity or MO

The Transmission Provider may raise disputes with the MO or the EIM Entity regarding the settlement statements it receives from the MO or EIM Entity in accordance with the processes specified in the MO's Tariff, EIM PA, and EIM Entity's business practices.

### 12.2 Related to Allocated EIM Entity Charges or Payments

To the extent a dispute arises between the Transmission Provider and a Transmission Customer or Interconnection Customer regarding the Transmission Provider's implementation of this Tariff's provisions regarding the manner in which the Transmission Provider allocates charges or payments from the EIM Entity, the parties shall follow the dispute resolution procedures in Sections 12.1 through 12.3 of this Tariff.

#### 12.3 Between EIM Participating Resources and the MO

Disputes involving settlement statements between the MO and Transmission Customers with EIM Participating Resources shall be resolved directly by the EIM Participating Resource Scheduling Coordinator in accordance with the EIM Entity's business practice.

## **Addendum 1 to Attachment S**

### **SCHEDULE 1S EIM Administrative Service**

This Schedule 1S shall apply when WAPA SNR, as Transmission Provider, is participating in the EIM and when the EIM has not been suspended. Schedule 1S shall apply in addition to Schedule 1 of this Tariff. To the extent the Transmission Provider incurs EIM Administrative Service related charges during periods of market suspension or contingency, as described in Section 11 of Attachment S of this Tariff, this Schedule 1S shall also apply to ensure the Transmission Provider remains revenue neutral for its participation in the EIM.

This service recovers the administrative costs for participation in the EIM by the Transmission Provider, including but not limited to such administrative charges as may be incurred by the Transmission Provider from the MO and/or EIM Entity. Unless such charges are allocated to the Transmission Customer directly by the EIM Entity, all Transmission Customers purchasing Long Term Firm Point-to-Point Transmission Service, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, or Network Integration Transmission Service from the Transmission Provider shall be required to acquire EIM Administrative Service from the Transmission Provider.

The specific charges for EIM Administrative Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges under the Schedule upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for this service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

## **Addendum 2 to Attachment S**

### **SCHEDULE 4S EIM Energy Imbalance Service**

This Schedule 4S shall apply when WAPA SNR, as Transmission Provider, is participating in the EIM and when the EIM has not been suspended. In accordance with Section 11 of Attachment S of this Tariff, Schedule 4 of this Tariff shall apply when the Transmission Provider is not participating in the EIM or when the EIM has been suspended. To the extent the Transmission Provider incurs EIM Energy Imbalance Service related charges from the EIM Entity during periods of market suspension or contingency, as described in Section 11 of Attachment S of this Tariff, this Schedule 4S shall also apply to ensure the Transmission Provider remains revenue neutral for its participation in the EIM.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within the Transmission Provider's Sub-BAA. The Transmission Provider must offer this service when transmission service is used to serve load within its Sub-BAA. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation.

Unless such charges are allocated to the Transmission Customer directly by the EIM Entity, a Transmission Customer shall be charged or paid for Energy Imbalance Service charges allocated to the Transmission Provider for its participation in the EIM, in accordance with the specific methodology for cost assessment set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges and payments for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the compensation for this service upon written notice to the Transmission Customer. Any change to the compensation to the Transmission Customer for this service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

### **Addendum 3 to Attachment S**

#### **SCHEDULE 9S EIM Generator Imbalance Service**

This Schedule 9S shall apply when WAPA SNR, as Transmission Provider, is participating in the EIM and when the EIM has not been suspended. In accordance with Section 11 of Attachment S of this Tariff, Schedule 9 of this Tariff shall apply when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. To the extent the Transmission Provider incurs EIM Generator Imbalance Service related charges from the EIM Entity during periods of market suspension or contingency, as described in Section 11 of Attachment S of this Tariff, this Schedule 9S shall also apply to ensure the Transmission Provider remains revenue neutral for its participation in the EIM.

Generally, Generator Imbalance Service is provided when a difference occurs between the output of a generator that is not an EIM Participating Resource located in the Transmission Provider's Sub-BAA, as reflected in the resource component of the Transmission Customer Base Schedule, and the delivery schedule from that generator to (1) another BAA, (2) the BANC BAA, or (3) a load within the Transmission Provider's Sub-BAA. The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when its transmission service is used to deliver energy from a generator located within its Sub-BAA. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation.

Unless such charges are allocated to the Transmission Customer directly by the EIM Entity, a Transmission Customer shall be charged or paid for Generator Imbalance Service charges allocated to the Transmission Provider for its participation in the EIM, in accordance with the specific methodology for cost assessment set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. Such charges may include those due to operational adjustments of any affected Interchange. The rates or rate methodology used to calculate the charges and payments for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the compensation for this service upon written notice to the Transmission Customer. Any change to the compensation to the Transmission Customer for this service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

**Applicability to Interconnection Customers:** To the extent the Interconnection Customer is a different entity than the Transmission Customer and controls the output of a generator located in the Transmission Provider's Sub-BAA, the Interconnection Customer may be subject to charges for Generator Imbalance Service (rather than the Transmission Customer) in accordance with this Schedule 9S.

## ATTACHMENT T

### CAISO Energy Imbalance Market Provisions for Desert Southwest Region (DSR)

Attachment T provides for participation of WAPA's Desert Southwest Region (DSR) in the California Independent System Operator Corporation's (CAISO) Western Energy Imbalance Market (EIM). Attachment T is not applicable for transactions occurring outside of DSR.

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SCHEDULE 1T - EIM Administrative Service

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SCHEDULE 9T - EIM Generator Imbalance Service

## 1. Definitions

The following definitions apply only to this Attachment T.

- 1.1** Balancing Authority (BA): The responsible entity that integrates resource plans ahead of time, maintains load Interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time.
- 1.2** Balancing Authority Area (BAA): For the purpose of this Tariff, the term Balancing Authority Area shall have the same meaning as “Control Area”.
- 1.3** CAISO: A state-chartered, California non-profit public benefit corporation that operates the transmission facilities of all CAISO participating transmission owners and dispatches certain generating units and loads. The CAISO is the MO for the EIM.
- 1.4** CAISO BAA or CAISO Controlled Grid: The system of transmission lines and associated facilities of the CAISO participating transmission owners that have been placed under the CAISO’s operational control.
- 1.5** Dispatch Instruction: An instruction by the MO for an action with respect to a specific WAPA EIM Participating Resource for increasing or decreasing its energy supply or demand.
- 1.6** Dispatch Operating Target: The MO issued dispatch instruction for an EIM Resource. For purposes of this Attachment T, the Dispatch Operating Target means the MW output of: (i) an EIM Participating Resource due to an EIM bid being accepted and the EIM Participating Resource receiving a Dispatch Instruction; or (ii) a Balancing Authority Area Resource for which a Dispatch Instruction has been issued by the CAISO for the dispatch of EIM Available Balancing Capacity.
- 1.7** Dynamic Transfer: The provision of the real-time monitoring, telemetering, computer software, hardware, communications, engineering, energy accounting (including inadvertent Interchange), and administration required to electronically move all or a portion of the real energy services associated with a generator or load out of one BAA into another. A Dynamic Transfer can be either:
  - (a) Dynamic Schedule: A telemetered reading or value that is updated in real time and used as a schedule in the Automatic Generation Control (AGC)/Area Control Error (ACE) equation and the integrated value of which is treated as an after-the-fact schedule for Interchange accounting purposes; or
  - (b) Pseudo-Tie: A functionality by which the output of a generating unit

physically interconnected to the electric grid in a native BAA is telemetered to and deemed to be produced in an attaining BAA that provides BA services for and exercises BA jurisdiction over the generating unit.

- 1.8** E-Tag: An electronic tag associated with a schedule in accordance with the requirements of the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC), or the North American Energy Standards Board (NAESB).
- 1.9** EIM: The Energy Imbalance Market. The real-time market to manage transmission congestion and optimize procurement of imbalance energy (positive or negative) to balance supply and demand deviations for the EIM Area through economic bids submitted by EIM Participating Resource Scheduling Coordinators in the 15-minute and 5-minute markets.
- 1.10** EIM Area: The combination of the WAPA EIM Entity's BAA, the CAISO BAA, and the BAAs of other EIM Entities in the western interconnection.
- 1.11** EIM Available Balancing Capacity: Any upward or downward capacity from a Balancing Authority Area Resource that has not been bid into the EIM and is included in the WAPA EIM Entity's Resource Plan.
- 1.12** EIM Entity: A BA, other than the WAPA EIM Entity, that enters into the MO's pro forma EIM Entity Agreement to enable the EIM to occur in its BAA.
- 1.13** EIM Transfer: The transfer of real-time energy resulting from an EIM Dispatch Instruction: (1) between the WAPA EIM Entity's BAA and the CAISO BAA; (2) between the WAPA EIM Entity's BAA and an EIM Entity BAA; or (3) between the CAISO BAA and an EIM Entity BAA using transmission capacity available in the EIM.
- 1.14** Forecast Data: Information provided by Transmission Customers regarding anticipated load (as determined pursuant to Section 5.2.4.3 of Attachment T of this Tariff), generation, Intrachange, and Interchange, as specified in Section 5.2.4 of Attachment T and the WAPA EIM Entity's business practices. The Transmission Customer Base Schedule includes Forecast Data that is used by the WAPA EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement.
- 1.15** Imbalance Energy: The deviation of supply or demand from the Transmission Customer Base Schedule, positive or negative, as measured by metered generation, metered load, or real-time Interchange or Intrachange schedules.
- 1.16** Interconnection Customer: Any Eligible Customer (or its Designated Agent) that executes an agreement to receive generation Interconnection Service pursuant to Attachments L or M of this Tariff.

- 1.17** Instructed Imbalance Energy (IIE): Settlement charges incurred by the Transmission Provider on behalf of Transmission Customers for instructed deviations, such as those that occur due to operational adjustments to Transmission Customer interchange schedules and Manual Dispatch.
- 1.18** Interchange: E-Tagged energy transfers from, to, or through BAAs not including EIM Transfers.
- 1.19** Intrachange: E-Tagged energy transfers within the WAPA EIM Entity's BAA, not including real-time actual energy flows associated with EIM Dispatch Instructions.
- 1.20** Manual Dispatch: An operating order issued by the WAPA EIM Entity to a Transmission Customer with a WAPA EIM Participating Resource or a Non-Participating Resource in the WAPA EIM Entity's BAA, outside of the EIM optimization, when necessary to address reliability or operational issues in the WAPA EIM Entity's BAA that the EIM is not able to address through economic dispatch and congestion management.
- 1.21** Market Operator (MO): The entity responsible for operation, administration, settlement, and oversight of the EIM. The CAISO is the current MO of the EIM.
- 1.22** MO Tariff: Those portions of the MO's approved tariff, as such tariff may be modified from time to time, that specifically apply to the operation, administration, settlement, and oversight of the EIM.
- 1.23** Operating Hour: The hour when the EIM runs and energy is supplied to load.
- 1.24** Resource Plan: The combination of load, resource and Interchange components of the Transmission Customer Base Schedule, ancillary services plans of the WAPA EIM Entity, bid ranges submitted by WAPA EIM Participating Resources, and the EIM Available Balancing Capacity of Balancing Authority Area Resources.
- 1.25** Transmission Customer Base Schedule: An energy schedule that provides Transmission Customer hourly-level Forecast Data and other information that is used by the WAPA EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement. The term "Transmission Customer Base Schedule" may refer collectively to the components of such schedule (resource, Interchange, Intrachange, and load determined pursuant to Section 5.2.4.3 of Attachment T) or any individual components of such schedule.
- 1.26** Uninstructed Imbalance Energy (UIE): For Non-Participating Resources in an EIM Entity BAA, the MO shall calculate UIE as either (1) the algebraic difference between the resource's 5-minute meter data and the resource component of the Transmission Customer Base Schedule, or, if applicable, (2)

the 5-minute meter data and any Manual Dispatch or EIM Available Balancing Capacity dispatch. For Transmission Customers with load in the WAPA EIM Entity's BAA, the WAPA EIM Entity shall calculate UIE as the algebraic difference between the Transmission Customer's actual hourly load and the Transmission Customer Base Schedule.

- 1.27** Variable Energy Resource: A device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.
- 1.28** WAPA EIM Entity: The Transmission Provider in performance of its role as an EIM Entity under the MO Tariff and this Tariff, including, but not limited to, Attachment T.
- 1.29** WAPA EIM Entity Scheduling Coordinator: The Transmission Provider or the entity selected by the Transmission Provider who is certified by the MO and who enters into the MO's pro forma EIM Entity Scheduling Coordinator Agreement.
- 1.30** WAPA EIM Participating Resource: A resource or a portion of a resource: (1) that has been certified in accordance with Attachment T by the WAPA EIM Entity as eligible to participate in the EIM; and (2) for which the generation owner and/or operator enters into the MO's pro forma EIM Participating Resource Agreement.
- 1.31** WAPA EIM Participating Resource Scheduling Coordinator: A Transmission Customer with one or more WAPA EIM Participating Resource(s) or a third-party designated by the Transmission Customer with one or more WAPA EIM Participating Resource(s), that is certified by the MO and enters into the MO's pro forma EIM Participating Resource Scheduling Coordinator Agreement.

## **2. General Provision - Purpose and Effective Date of Attachment T**

Attachment T provides for WAPA EIM Entity's participation as the EIM Entity in the EIM administered by the MO. This Attachment T should be read in conjunction with the WAPA EIM Entity's business practices. Attachment T shall be in effect for as long as the WAPA EIM Entity implements the EIM and until all final settlements are finalized resulting from such implementation or termination.

Attachment T shall apply to:

- (a) unless otherwise provided by a legacy agreement, all Transmission Customers and Interconnection Customers, as applicable, with new and existing service agreements under Parts II and III of this Tariff or Attachments L, M and/or T of this Tariff;

(b) all Transmission Customers with legacy transmission agreements that pre-existed this Tariff and that expressly incorporate by reference the applicability of this Tariff and/or this Attachment T in particular; and

(c) The WAPA EIM Entity's use of the transmission system for service to Native Load Customers.

To the extent an Interconnection Customer controls the output of a generator located in the WAPA EIM Entity's BAA, the WAPA EIM Entity may require the Interconnection Customer to comply with a requirement in this Attachment T that on its face applies to a Transmission Customer to the extent that the WAPA EIM Entity makes a determination, in its sole discretion, that the Interconnection Customer is the more appropriate party to satisfy the requirements of Attachment T than any Transmission Customer.

Attachment T shall work in concert with the provisions of the MO Tariff implementing the EIM to support operation of the EIM. To the extent that this Attachment T is inconsistent with a provision in the remainder of this Tariff regarding the WAPA EIM Entity's administration of the EIM, this Attachment T shall prevail.

This Attachment T governs the relationship between the WAPA EIM Entity and all Transmission Customers and Interconnection Customers subject to this Tariff. This Attachment T does not establish privity between Transmission Customers and the MO or make a Transmission Customer subject to the MO Tariff. Any Transmission Customer duties and obligations related to the EIM are those identified in this Tariff, unless the Transmission Customer voluntarily elects to participate directly in the EIM with WAPA EIM Participating Resources, in which case the MO Tariff provisions for EIM Participating Resources and EIM Participating Resource Scheduling Coordinators shall also apply.

Notwithstanding the provisions of Section 10.2 of this Tariff, the standard of liability for the actions of the WAPA EIM Entity performed consistent with this Attachment T shall be gross negligence or intentional wrongdoing.

### 3. Election of Transmission Customers to become WAPA EIM Participating Resources

The decision of a Transmission Customer to participate in the EIM with resources as WAPA EIM Participating Resources is voluntary. A Transmission Customer that chooses to have a resource become a WAPA EIM Participating Resource must:

(a) Meet the requirements specified in Section 4 of this Attachment T and the WAPA EIM Entity's business practices;

(b) Become or retain a MO-certified EIM Participating Resource Scheduling Coordinator; and

(c) Follow the application and certification process specified in this Attachment T and the WAPA EIM Entity's business practices posted on the WAPA EIM Entity's OASIS.

Transmission Customers which own or control multiple resources may elect to have any or all of their resources be WAPA EIM Participating Resources, in which case any resources that are not elected by the Transmission Customer to be WAPA EIM Participating Resources shall be treated as Non-Participating Resources for purposes of this Attachment T.

#### 4. Eligibility to be a WAPA EIM Participating Resource

##### 4.1 Internal Resources - Transmission Rights

Resources owned or controlled by Transmission Customers and located within the metered boundaries of WAPA's BAA are eligible to become WAPA EIM Participating Resources. The Transmission Customer that owns or controls the resource must have associated transmission rights based on one of the following:

- (a) The resource is a designated Network Resource of a Network Customer and the Network Customer elects to participate in the EIM through its Network Integration Transmission Service Agreement; or
- (b) The resource is associated with either (i) a service agreement for Firm Point-to-Point Transmission Service or (ii) a service agreement for Non-Firm Point-to-Point Transmission Service, and such Transmission Customer elects to participate in the EIM.

Notwithstanding the limitations in Section 28.6 of this Tariff, Network Customers utilizing a Network Integration Transmission Service Agreement, and Native Load Customers, may participate in the EIM without a requirement to terminate the designation of any Network Resource that is an EIM Participating Resource consistent with Section 30.3 of this Tariff and without a requirement to reserve additional Point-To-Point Transmission Service for such transactions.

Notwithstanding the limitations in Sections 1.27, 30.1, 30.2, and 30.4 of this Tariff, Network Customers may also utilize Network Resources for purposes of fulfilling obligations under the EIM, such as generation Dispatch Instructions.

##### 4.2 Resources External to WAPA's BAA

###### 4.2.1 Use of Pseudo-Ties

A resource owned or controlled by a Transmission Customer that is not physically located inside the metered boundaries of WAPA's BAA may participate in the EIM as a WAPA EIM Participating Resource if the



Transmission Customer:

- (a) implements a Pseudo-Tie into WAPA's BAA, consistent with the business practices posted on the WAPA EIM Entity's OASIS;
- (b) has arranged firm transmission over any third-party transmission systems to a WAPA BAA intertie boundary equal to the amount of energy that will be Dynamically Transferred through a Pseudo-Tie into WAPA's BAA, consistent with the business practices posted on the WAPA EIM Entity's OASIS;
- (c) has secured transmission service consistent with Section 4.1 of this Attachment T; and
- (d) Pseudo-Tie and resource must be registered with the NAESB EIR (Electric Industry Registry).

#### 4.2.2 Pseudo-Tie Costs

Pseudo-Tie implementation costs shall be allocated in a manner consistent with any pertinent Pseudo-Tie agreements. Any costs that may be required to implement Pseudo-Ties shall be funded in advance by Transmission Customers in such Pseudo-Tie agreements.

### 4.3 Application and Certification of WAPA EIM Participating Resources

This section should be read in conjunction with the WAPA EIM Entity's business practices.

#### 4.3.1 Application

To register a resource to become a WAPA EIM Participating Resource, an applicant must submit a completed application and shall provide a nonrefundable deposit of \$1,500 for the WAPA EIM Entity to process the application. Upon completion of processing the completed application, the WAPA EIM Entity shall charge and the applicant shall pay in advance the costs of the application processing. Any difference between the deposit and the actual costs of the application processing shall be paid by the WAPA EIM Participating Resource applicant. At the time of application, any WAPA EIM Participating Resource applicant must elect to perform the duties of either a CAISO Metered Entity or Scheduling Coordinator Metered Entity, consistent with the MO's requirements, as applicable.

#### 4.3.2 Processing the Participating Resource Application

The WAPA EIM Entity shall make a determination as to whether to accept or



reject the application within forty-five (45) days of receipt of the application. At minimum, the WAPA EIM Entity shall validate through the application that the WAPA EIM Participating Resource applicant has satisfied Sections 4.1 and 4.2 of this Attachment T, as applicable, and met minimum telemetry and metering requirements, as set forth in the MO's requirements and the WAPA EIM Entity's business practices, including its metering policy. Within forty-five (45) days of receipt of the application and in accordance with the process outlined in the WAPA EIM Entity's business practices, the WAPA EIM Entity may request additional information and will attempt to resolve any minor deficiencies in the application with the Transmission Customer. The WAPA EIM Entity may extend the 45-day period to accommodate the resolution of minor deficiencies in the application in order to make a determination on an application. If the WAPA EIM Entity approves the application, it shall send notification of approval to both the WAPA EIM Participating Resource applicant and the MO. If the WAPA EIM Entity rejects the application, the WAPA EIM Entity shall send notification stating the grounds for rejection to the WAPA EIM Participating Resource applicant. Upon request, the WAPA EIM Entity may provide guidance to the applicant as to how the WAPA EIM Participating Resource applicant may cure the grounds for the rejection. In the event that the WAPA EIM Entity has granted an extension of the 45-day period but the applicant has neither provided the additional requested information nor otherwise resolved identified deficiencies within six (6) months of the WAPA EIM Entity's initial receipt of the application, the application shall be deemed rejected by the WAPA EIM Entity. If an application is rejected, the WAPA EIM Participating Resource applicant may resubmit its application at any time (including submission of a new processing fee deposit).

#### 4.3.3 Certification Notice

Upon approval of an application and in accordance with the process specified in the WAPA EIM Entity's business practices, certification by the WAPA EIM Entity of the WAPA EIM Participating Resource to participate in the EIM shall occur once the Transmission Customer has demonstrated and the MO has confirmed that the Transmission Customer has:

- (a) Met the MO's criteria to become an EIM Participating Resource and executed the MO's pro forma EIM Participating Resource Agreement;
- (b) Qualified to become or retained the services of a MO-certified EIM Participating Resource Scheduling Coordinator;
- (c) Met the necessary metering requirements of this Tariff and the MO Tariff and the EIM Participating Resource Scheduling Coordinator has executed the MO's pro forma Meter Service Agreement for Scheduling Coordinators; and

(d) Met communication and data requirements of this Tariff and the MO Tariff; and has the ability to receive and implement Dispatch Instructions every 5 minutes from the MO.

Upon receiving notice from the MO of the completion of the enumerated requirements by the Transmission Customer, the WAPA EIM Entity shall provide notice to both the Transmission Customer with a WAPA EIM Participating Resource and the MO that the WAPA EIM Participating Resource is certified and therefore eligible to participate in the EIM.

#### 4.3.4 Status of Resource Pending Certification

If the Transmission Customer: (i) has submitted an application for a resource to be a WAPA EIM Participating Resource but the application has not been approved; or (ii) has not yet been certified by the WAPA EIM Entity consistent with Section 4.3.3 of this Attachment T, the resource shall be deemed to be a Non-Participating Resource.

#### 4.3.5 Notice and Obligation to Report a Change in Information

Each Transmission Customer with a WAPA EIM Participating Resource has an ongoing obligation to inform the WAPA EIM Entity of any changes to any of the information submitted as part of the application process under this Attachment T consistent with the WAPA EIM Entity's business practices. This information includes, but is not limited to:

- (a) Any change in the WAPA EIM Participating Resource Scheduling Coordinator representing the resource;
- (b) Any change in the ownership or control of the resource;
- (c) Any change to the physical characteristics of the resource required to be reported to the MO in accordance with the MO Tariff; or
- (d) If either the MO terminates the participation of the WAPA EIM Participating Resource in the EIM or the Transmission Customer has terminated the WAPA EIM Participating Resource's participation in the EIM; in either case, that resource shall be considered to be a Non-Participating Resource for purposes of this Tariff, including Attachment T.

## 5. Roles and Responsibilities

### 5.1 WAPA EIM Entity and the WAPA EIM Entity Scheduling Coordinator

#### 5.1.1 Responsibilities

#### 5.1.1.1 Identification of EIM Entity Scheduling Coordinator

The WAPA EIM Entity can serve as the WAPA EIM Entity Scheduling Coordinator or retain a third party to perform such role. If the WAPA EIM Entity is not the WAPA EIM Entity Scheduling Coordinator, the WAPA EIM Entity shall communicate to the WAPA EIM Entity Scheduling Coordinator the information required by the WAPA EIM Entity Scheduling Coordinator to fulfill its responsibilities in the EIM.

The WAPA EIM Entity Scheduling Coordinator shall coordinate and facilitate the EIM in accordance with the requirements of the MO Tariff. The WAPA EIM Entity Scheduling Coordinator must meet the certification requirements of the MO and enter into any necessary MO agreements.

#### 5.1.1.2 Processing WAPA EIM Participating Resource Applications

The WAPA EIM Entity shall be responsible for processing applications of Transmission Customers seeking authorization to participate in the EIM with resources as WAPA EIM Participating Resources in accordance with Section 4.3 of this Attachment T.

#### 5.1.1.3 Determination of EIM Implementation Decisions for WAPA's BAA

The WAPA EIM Entity is solely responsible for making any decisions with respect to EIM participation that the MO requires of EIM Entities. The WAPA EIM Entity has made the following determinations:

(a) Eligibility requirements: Eligibility requirements are set forth in Section 4 of Attachment T.

(b) Load Aggregation Points (LAP): There shall be one LAP for WAPA's BAA.

(c) MO load forecast: The WAPA EIM Entity shall utilize the MO load forecast but shall retain the right to provide the load forecast to the MO in accordance with the MO Tariff.

(d) MO metering agreements: The WAPA EIM Entity and all Transmission Customers with WAPA EIM Participating Resources shall have the option to elect to be Scheduling Coordinator Metered Entities or CAISO Metered Entities in accordance with the MO Tariff. The WAPA EIM Entity shall be a Scheduling Coordinator Metered Entity on behalf of all Transmission

Customers with Non-Participating Resources in accordance with the MO Tariff.

5.1.1.4 WAPA EIM Entity Business Practices

The WAPA EIM Entity shall establish and revise, as necessary, procedures to facilitate implementation and operation of the EIM through the WAPA EIM Entity's business practices that shall be posted on the WAPA EIM Entity's OASIS.

5.1.1.5 Determination to Take Corrective Actions or Permanently Terminate Participation in the EIM

The WAPA EIM Entity may take corrective actions in WAPA's BAA in accordance with the requirements of Section 11.3 of Attachment T. In addition, the WAPA EIM Entity, in its sole and absolute discretion, may permanently terminate its participation in the EIM by providing notice of termination to the MO pursuant to applicable agreements and by making a filing with the Commission to revise this Tariff. In the event the WAPA EIM Entity terminates its participation in EIM, there will be no further service under this Attachment T.

5.1.2 Responsibilities of the WAPA EIM Entity to Provide Required Information

5.1.2.1 Provide Modeling Data to the MO

The WAPA EIM Entity shall provide the MO information associated with transmission facilities within WAPA's BAA, including, but not limited to, network constraints and associated limits that must be observed in WAPA's BAA network and interties with other BAAs.

5.1.2.2 Registration

The WAPA EIM Entity shall register all Non-Participating Resources with the MO consistent with the WAPA EIM Entity's business practices. The WAPA EIM Entity may choose to obtain default energy bids from the MO for Non-Participating Resources that are Balancing Authority Area Resources. The WAPA EIM Entity shall update this information in accordance with the MO's requirements as revised information is received from Transmission Customers with Non-Participating Resources in accordance with Section 5.2.1.2 of this Attachment T.

5.1.3 Day-to-Day EIM Operations

5.1.3.1 Submission of Transmission Customer Base Schedule,

## Forecast Data for Non-Participating Resources that are Variable Energy Resources, and Resource Plans

The WAPA EIM Entity is responsible for providing the data required by the MO in accordance with the MO Tariff, including but not limited to: (1) hourly Transmission Customer Base Schedules; (2) Forecast Data for Non-Participating Resources that are Variable Energy Resources; and (3) Resource Plans.

### 5.1.3.2 Communication of Manual Dispatch Information

The WAPA EIM Entity shall inform the MO of a Manual Dispatch by providing adjustment information for the affected resources in accordance with the MO Tariff.

### 5.1.3.3 Confirmation

The MO shall calculate, and the WAPA EIM Entity shall confirm, actual values for Dynamic Schedules reflecting EIM Transfers to the MO within 60 minutes after completion of the Operating Hour to ensure the e-Tag author will be able to update these values in accordance with WECC policies and industry standards through an update to the e-Tag. If WECC policies and industry standards are modified such that the 60-minute time frame set forth in the preceding sentence is no longer sufficient to enable compliance with the WECC policies and industry standards, the WAPA EIM Entity shall specify in its business practices the applicable time frame necessary to remain compliant.

### 5.1.3.4 Dispatch of EIM Available Balancing Capacity of a Non-Participating Resource

Upon notification by the MO, the WAPA EIM Entity shall notify the Non-Participating Resource of the Dispatch Operating Target for any EIM Available Balancing Capacity from the Non-Participating Resource, except in circumstances in which the WAPA EIM Entity determines the additional capacity is not needed for the BAA or has taken other actions to meet the capacity need.

### 5.1.4 Provision of Meter Data

The WAPA EIM Entity shall submit load, resource, and Interchange meter data to the MO in accordance with the format and timeframes required in the MO Tariff on behalf of Transmission Customers with Non-Participating Resources, loads, and Interchange.

### 5.1.5 Settlement of MO Charges and Payments

The WAPA EIM Entity shall be responsible for financial settlement of all charges and payments allocated by the MO to the WAPA EIM Entity. The WAPA EIM Entity may sub-allocate EIM charges and payments to various entities including Transmission Customers in accordance with Section 9 of this Attachment T, as applicable.

#### 5.1.6 Dispute Resolution

The WAPA EIM Entity shall manage dispute resolution with the MO for the WAPA EIM Entity settlement statements consistent with the MO Tariff, Section 12 of this Tariff, and the WAPA EIM Entity's business practices. Transmission Customers with WAPA EIM Participating Resources shall manage dispute resolution with the MO for any settlement statements they receive directly from the MO.

To the extent a dispute arises between the WAPA EIM Entity and a Transmission Customer or Interconnection Customer regarding the WAPA EIM Entity's allocation of EIM related charges, the parties shall follow the dispute resolution procedures in Sections 12 of this Tariff and applicable WAPA EIM Entity business practices.

### 5.2 Transmission Customer Responsibilities

All Transmission Customers must comply with the applicable requirements of the MO Tariff, this Tariff, and any business practices and operating procedures developed by the MO and WAPA EIM Entity.

The following Transmission Customers must also comply with the information requirements of this section: (1) Transmission Customers with a WAPA EIM Participating Resource; (2) Transmission Customers with a Non-Participating Resource; (3) Transmission Customers with load within WAPA's BAA; and (4) subject to the limitations identified in Section 5.2.4.5.1 of this Attachment T, Transmission Customers wheeling through WAPA's BAA. This section should be read in conjunction with the WAPA EIM Entity's business practices.

#### 5.2.1 Initial Registration Data

##### 5.2.1.1 Transmission Customers with a WAPA EIM Participating Resource

A Transmission Customer with a WAPA EIM Participating Resource shall provide the WAPA EIM Entity with the data necessary to meet the requirements established by the MO to register all resources with the MO as required by the MO Tariff.

#### 5.2.1.2 Transmission Customers with Non-Participating Resources

A Transmission Customer with Non-Participating Resources shall provide the WAPA EIM Entity with data necessary to meet the requirements established by the MO as required by the MO Tariff.

#### 5.2.2 Responsibility to Update Required Data

##### 5.2.2.1 Transmission Customers with a WAPA EIM Participating Resource

Each Transmission Customer with a WAPA EIM Participating Resource has an ongoing obligation to inform the MO and WAPA EIM Entity of any changes to any of the information submitted by the Transmission Customer provided under Section 5.2.1 of this Attachment T that reflects changes in operating characteristics as required by the MO Tariff.

##### 5.2.2.2 Transmission Customers with Non-Participating Resources

Each Transmission Customer with a Non-Participating Resource has an ongoing obligation to inform the WAPA EIM Entity of any changes to any of the information submitted by the Transmission Customer with a Non-Participating Resource provided under Section 5.2.1 of this Attachment T.

#### 5.2.3 Outages

Transmission Customers with WAPA EIM Participating Resources and Transmission Customers with Non-Participating Resources shall be required to provide planned and unplanned outage information for their resources in accordance with Section 8 of this Attachment T and the WAPA EIM Entity's business practices.

#### 5.2.4 Submission of Transmission Customer Base Schedule

Every Transmission Customer (including Transmission Customers which do not have any resources or load within WAPA's BAA) shall submit the Transmission Customer Base Schedule to the WAPA EIM Entity. This submission must include Forecast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable. If the Transmission Customer does not serve load within WAPA's BAA, submission of the Transmission Customer Base Schedule shall balance to the Transmission Customer's anticipated actual generation within WAPA's BAA. The submissions shall be in the format and within the timing requirements established by the MO and the WAPA EIM Entity as required in Section 5.2.4.5 of this Attachment T and the WAPA EIM Entity's business practices.



#### 5.2.4.1 Transmission Customers with a WAPA EIM Participating Resource or Non-Participating Resource in the WAPA BAA

A Transmission Customer with a WAPA EIM Participating Resource or a Non-Participating Resource is not required to submit Forecast Data for:

- (a) resources located in WAPA's BAA that are less than three (3) MW; or
- (b) behind-the-meter generation which is not contained in the MO's network model.

Each WAPA EIM Participating Resource Scheduling Coordinator shall provide to the WAPA EIM Entity:

- (a) the energy bid range data (without price information) of the respective resources it represents that are participating in the EIM; and
- (b) Dispatch Operating Target data of the respective resources it represents that are participating in the EIM.

#### 5.2.4.2 Transmission Customers with Non-Participating Resources that are Variable Energy Resources

##### 5.2.4.2.1 Resource Forecasts

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit (i) resource Forecast Data with hourly granularity and (ii) resource Forecast Data with 5-minute or 15-minute granularity. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall provide, at minimum, a three-hour rolling forecast with 15-minute granularity, updated every 15 minutes, and may provide, in the alternative, a three-hour rolling forecast with 5-minute granularity, updated every 5 minutes.

##### 5.2.4.2.2 Method of submission

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit resource Forecast Data consistent with this Section 5.2.4.2



using any one of the following methods:

(a) The Transmission Customer may elect to use the WAPA EIM Entity's Variable Energy Resource reliability forecast prepared for Variable Energy Resources within WAPA's BAA, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement consistent with the WAPA EIM Entity's business practices;

(b) The Transmission Customer may elect to self-supply the Forecast Data and provide such data to the WAPA EIM Entity, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement consistent with the WAPA EIM Entity's business practices; or

(c) Transmission Customer may elect that the MO produce Forecast Data for the Variable Energy Resource, made available to the Transmission Customer in a manner consistent with the MO Tariff, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement consistent with the WAPA EIM Entity's business practices.

#### 5.2.4.2.3 Timing of submission

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource must elect one of the above methods prior to either: (1) the date WAPA joins the EIM or (2) the date the Non-Participating Resource interconnects to WAPA's BAA. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource may change its election by providing advance notice to the WAPA EIM Entity.

To the extent a Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource elects the method specified in Section 5.2.4.2.2(b) of this Attachment T, and such Transmission Customer fails to submit resource Forecast Data for any time interval as

required by this Section 5.2.4.2, the WAPA EIM Entity shall apply the applicable settlement method set forth in the WAPA EIM Entity's business practices.

#### 5.2.4.3 Transmission Customers with Load

As set forth in Sections 5.2.4 of this Attachment T, a Transmission Customer is required to submit Forecast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable. The WAPA EIM Entity's settlement of Energy Imbalance Service shall be consistent with the WAPA EIM Entity's business practices.

#### 5.2.4.4 Transmission Customers Without Resources or Load in WAPA's BAA

A Transmission Customer which does not have any resources or load within WAPA's BAA shall submit a Transmission Customer Base Schedule that includes Interchange and Intrachange Forecast Data to the WAPA EIM Entity.

#### 5.2.4.5 Timing of Transmission Customer Base Schedules Submission

##### 5.2.4.5.1 Preliminary Submission of Transmission Customer Base Schedules by Transmission Customers with Resources or Load in the WAPA BAA

Transmission Customers with resources or load in the WAPA BAA shall submit their initial Transmission Customer Base Schedules seven (7) days prior to each Operating Day ("T - 7 days").

Transmission Customers may modify the proposed Transmission Customer Base Schedule at any time but shall submit at least one update by 10 a.m. of the day before the Operating Day.

##### 5.2.4.5.2 Final Submissions of Transmission Customer Base Schedules

Transmission Customers shall submit proposed final Transmission Customer Base Schedules consistent with the requirements of the MO Tariff and WAPA EIM Entity's business practices.

### 5.2.5 Metering for Transmission Customers with Non-Participating Resources

To assess imbalance, the MO shall disaggregate meter data into 5-minute intervals if the meter intervals are not already programmed to 5-minute intervals pursuant to a Transmission Customer's applicable interconnection requirements. To the extent that a Transmission Customer owns the meter or communication to the meter, the Transmission Customer shall be responsible to maintain accurate and timely data accessible for the WAPA EIM Entity to comply with Section 5.1.4 of this Attachment T.

## 6. Transmission Operations

### 6.1 Provision of Information Regarding Real-Time Status of the WAPA EIM Entity's Transmission System

The WAPA EIM Entity shall provide the MO information on the following:

- (1) real time data for the Transmission System and interties; and
- (2) any changes to transmission capacity and the Transmission System due to operational circumstances.

### 6.2 [Saved for future provision]

### 6.3 Provision of EIM Transfer Capability by the WAPA EIM Entity

The WAPA EIM Entity shall facilitate the provision of transmission capacity for EIM Transfers by providing the MO with information about the amounts available for EIM Transfers utilizing Available Transfer Capability (ATC). The provision of EIM Transfer capacity corresponding to ATC shall be implemented consistent with the requirements of the MO Tariff and WAPA EIM Entity's business practices. The ATC associated with the submitted e-Tag shall be available for the EIM, subject to approval of the e-Tag by all required e-Tag approval entities.

## 7. System Operations Under Normal and Emergency Conditions

### 7.1 Compliance with Reliability Standards

Participation in the EIM shall not modify, change, or otherwise alter the manner in which the WAPA EIM Entity operates its Transmission System consistent with applicable reliability standards, including adjustments.

Participation in the EIM shall not modify, change, or otherwise alter the obligations of the WAPA EIM Entity, Transmission Customers with WAPA EIM Participating Resources, or Transmission Customers with Non-Participating Resources to comply

with applicable reliability standards.

The WAPA EIM Entity shall remain responsible for:

- (a) maintaining appropriate operating reserves and for its obligations pursuant to any reserve sharing group agreements;
- (b) NERC and WECC responsibilities including, but not limited to, informing the Reliability Coordinator of issues within WAPA's BAA;
- (c) processing e-Tags and managing schedule curtailments at the interties; and
- (d) monitoring and managing real-time flows within system operating limits on all transmission facilities within WAPA's BAA, including facilities of WAPA BAA Transmission Owners. If requested by a Transmission Customer that is also a WAPA BAA Transmission Owner, the WAPA EIM Entity will provide additional information or data related to EIM operation as it may relate to facilities of a WAPA BAA Transmission Owner.

## 7.2 Good Utility Practice

The WAPA EIM Entity, Transmission Customers with Non-Participating Resources, and Transmission Customers with WAPA EIM Participating Resources shall comply with Good Utility Practice with respect to this Attachment T.

## 7.3 Management of Contingencies and Emergencies

### 7.3.1 EIM Disruption

If the MO declares an EIM disruption in accordance with the MO Tariff, the WAPA EIM Entity shall, in accordance with the MO Tariff, promptly inform the MO of actions taken in response to the EIM disruption by providing adjustment information, updates to e-Tags, transmission limit adjustments, or outage and de-rate information, as applicable.

### 7.3.2 Manual Dispatch

The WAPA EIM Entity may issue a Manual Dispatch order to a Transmission Customer with a WAPA EIM Participating Resource or a Non-Participating Resource in WAPA's BAA, to address reliability or operational issues in WAPA's BAA that the EIM is not able to address through normal economic dispatch and congestion management. The WAPA EIM Entity shall inform the MO of a Manual Dispatch as soon as possible.

## 8. Outages

## 8.1 WAPA EIM Entity Transmission Outages

### 8.1.1 Planned Transmission Outages and Known Derates

The WAPA EIM Entity shall submit information regarding planned transmission outages and known derates to the MO's outage management system in accordance with the MO Tariff. The WAPA EIM Entity shall update the submittal if there are changes to the transmission outage plan.

### 8.1.2 Unplanned Transmission Outages

The WAPA EIM Entity shall submit information as soon as possible regarding unplanned transmission outages or derates to the MO's outage management system in accordance with the MO Tariff.

## 8.2 WAPA BAA Transmission Owner Outages

Transmission Customers that are also WAPA BAA Transmission Owners shall provide the WAPA EIM Entity with planned and unplanned transmission outage data. Planned outages shall be reported to the WAPA EIM Entity.

The WAPA EIM Entity shall communicate information regarding planned and unplanned outages of WAPA BAA Transmission Owner facilities to the MO as soon as practicable upon receipt of the information from the WAPA BAA Transmission Owner.

## 8.3 WAPA EIM Participating Resource Outages

### 8.3.1 Planned WAPA EIM Participating Resource Outages and Known Derates

WAPA EIM Participating Resource Scheduling Coordinators shall submit information regarding planned resource outages and known derates to the WAPA EIM Entity. Planned outages and known derates shall be reported to the WAPA EIM Entity seven (7) or more days in advance and preferably at least thirty (30) days in advance of the outage or known derate. The WAPA EIM Entity shall then submit this outage information to the MO's outage management system in accordance with the MO Tariff. WAPA EIM Participating Resource Scheduling Coordinators shall update the submittal if there are changes to the resource outage plan.

### 8.3.2 Unplanned WAPA EIM Participating Resource Outages or Derates

In the event of an unplanned outage required to be reported under the MO Tariff, the WAPA EIM Participating Resource Scheduling Coordinator is responsible for notifying the WAPA EIM Entity of required changes. The WAPA EIM Entity shall then submit this information to the MO's outage management system. Changes in availability of 10 MW or 5% of Pmax (whichever is greater)

lasting 15 minutes or longer must be reported to the WAPA EIM Entity. The WAPA EIM Entity shall then submit this information to the MO's outage management system.

#### 8.4 Outages of Transmission Customers with Non-Participating Resources

##### 8.4.1 Planned Outages and Known Derates of Transmission Customers with Non-Participating Resources

Transmission Customers with Non-Participating Resources shall report information regarding planned outages and known derates of resources to the WAPA EIM Entity. The Transmission Customer with a Non-Participating Resource shall update the submittal if there are changes to the resource's outage plan. The WAPA EIM Entity shall submit planned resource outages and known derates of Non-Participating Resources to the MO's outage management system in accordance with the MO Tariff.

##### 8.4.2 Unplanned Outages or Derates of Resources of Transmission Customers with Non-Participating Resources

Unplanned outages of resources of a Transmission Customer with Non-Participating Resources shall be reported to the WAPA EIM Entity. In the event of a forced outage required to be reported under the MO Tariff, the WAPA EIM Entity is responsible for notifying the MO of required changes through the MO's outage management system.

Changes in availability of 10 MW or 5% of the element's normal system operating limits (whichever is greater) lasting 15 minutes or longer must be reported to the WAPA EIM Entity. The WAPA EIM Entity shall then submit this information to the MO's outage management system.

#### 9. EIM Settlements and Billing

The WAPA EIM Entity's business practices shall include information on the specific charges applicable to EIM settlements, including those that may be incurred by the WAPA EIM Entity. For EIM settlements incurred by the WAPA EIM Entity, the WAPA EIM Entity shall settle EIM related charges through the schedules promulgated in the addendums of this Attachment T.

The WAPA EIM Entity shall also develop and maintain business practices detailing the settlement allocation practices associated with EIM charges, as details of such settlement allocation practices are subject to evolution based on the settlement decisions and practices of the WAPA EIM Entity. The WAPA EIM Entity's business practices for EIM settlements shall be posted on the WAPA EIM Entity's OASIS, and revisions to those business practices shall be managed through the WAPA EIM Entity's OASIS process.

## 9.1 EIM Transmission Charges

### 9.1.1 EIM Transmission Service

Unless subsequently imposed by the MO as part of the MO Tariff and promulgated by WAPA through rate proceedings, there shall be no incremental transmission charge assessed for transmission use related to the EIM. Transmission Customers must have transmission service rights, as provided in Section 4 of this Attachment T.

### 9.1.2 EIM Unreserved Use

WAPA EIM Participating Resources will not incur unreserved use charges solely as the result of EIM Dispatch Instruction. For uses that exceed the EIM Dispatch Instruction, the WAPA EIM Entity will assess unreserved use in accordance with the WAPA EIM Entity's business practices and settle such charges under Schedule 10 of this Tariff.

### 9.1.3 EIM Transmission Losses

Transmission Customers shall be assessed real power losses against the Transmission Customer Base Schedule as a product of the applicable loss factors provided in Sections 15.7 and 28.5 of this Tariff, and in accordance with the WAPA EIM Entity's business practices.

Settlement of real power losses associated with EIM Energy Imbalance Service shall be pursuant to Schedule 4T of this Tariff, and settlement of Real Power Losses associated with EIM Generator Imbalance Service shall be pursuant to Schedule 9T of the Tariff.

## 9.2 EIM Administrative Service

The WAPA EIM Entity shall settle EIM administrative service charges with Transmission Customers through Schedule 1T of the Tariff. This settlement recovers the administrative costs for participation in the EIM by the WAPA EIM Entity, including but not limited to such administrative charges as may be incurred by the WAPA EIM Entity from the MO.

## 9.3 EIM Energy Imbalance Service

Notwithstanding the provisions of Section 3.4 of this Tariff, the rates and/or methodology related to Energy Imbalance Service when the WAPA EIM Entity is participating in the EIM are described in Schedule 4T of this Tariff. Otherwise, such rates and/or methodology related to Energy Imbalance Service are described in Section 3.4 of the Tariff.



Energy Imbalance Service settlements incurred by the WAPA EIM Entity during EIM participation shall be settled with Transmission Customers through Schedule 4T of this Tariff. Charges may include:

- (a) Uninstructed Imbalance Energy (UIE)
- (b) Under-Scheduling Load
- (c) Over-Scheduling Load
- (d) Distribution of Under-Scheduling and Over-Scheduling Proceeds

#### 9.4 EIM Generator Imbalance Service

Notwithstanding the provisions of Section 3.7 of this Tariff, the rates and/or methodology related to Generator Imbalance Service when the WAPA EIM Entity is participating in the EIM are described in Schedule 9T of this Tariff. Otherwise, such rates and/or methodology related to Generator Imbalance Service are described in Section 3.7 of the Tariff.

Generator Imbalance Service settlements incurred by the WAPA EIM Entity during EIM participation shall be settled with Transmission Customers through Schedule 9T of this Tariff. Charges may include:

- (a) Instructed Imbalance Energy (IIE)
- (b) Uninstructed Imbalance Energy (UIE)

#### 9.5 Other EIM Settlements

All additional EIM related settlements incurred by the WAPA EIM Entity shall be allocated to Transmission Customers in accordance with the WAPA EIM Entity's business practices as posted on the WAPA EIM Entity's OASIS. Such charges may include:

- (a) Unaccounted for Energy (UFE)
- (b) EIM Uplifts
- (c) Allocation of Operative Reserves

#### 9.6 MO Tax Liabilities

Any charges to the WAPA EIM Entity pursuant to the MO Tariff for MO tax liability as a result of the EIM shall be sub-allocated to those Transmission

Customers triggering the tax liability.

#### 9.7 EIM Payment Calendar

The WAPA EIM Entity will follow the MO's payment calendar for issuing settlement statements, exchanging invoice funds, submitting meter data, and submitting settlement disputes to the MO. The WAPA EIM Entity shall follow Section 7 of this Tariff for issuing invoices regarding the EIM.

#### 9.8 Market Validation and Price Correction

If the MO modifies the WAPA EIM Entity's EIM settlement statement in accordance with the MO's market validation and price correction procedures in the MO Tariff, the WAPA EIM Entity may make corresponding or similar changes to the charges and payments sub-allocated under this Attachment T.

### 10. Compliance

#### 10.1 Provision of Data

Transmission Customers with WAPA EIM Participating Resources and WAPA EIM Participating Resource Scheduling Coordinators are responsible for complying with information requests they receive directly from the EIM market monitor or regulatory authorities concerning EIM activities.

A Transmission Customer with WAPA EIM Participating Resources or a Transmission Customer with Non-Participating Resources must provide the WAPA EIM Entity with all data necessary to respond to information requests received by the WAPA EIM Entity from the MO, the EIM market monitor, or regulatory authorities concerning EIM activities.

If the WAPA EIM Entity is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence, the WAPA EIM Entity may disclose such information; provided, however, that upon the WAPA EIM Entity learning of the disclosure requirement and, if possible, prior to making such disclosure, the WAPA EIM Entity shall notify any affected party of the requirement and the terms thereof. The party can, at its sole discretion and own cost, direct any challenge to or defense against the disclosure requirement. The WAPA EIM Entity shall cooperate with the affected party to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

The WAPA EIM Entity shall treat all Transmission Customer and Interconnection Customer data and information provided to it as market-sensitive and confidential, unless the WAPA EIM Entity is otherwise allowed or required to disclose. The WAPA EIM Entity shall continue to abide by the Commission's Standards of Conduct and

handle customer information accordingly.

## 10.2 Rules of Conduct

These rules of conduct are intended to provide fair notice of the conduct expected and to provide an environment in which all parties may participate in the EIM on a fair and equal basis.

Transmission Customers must:

- (a) Comply with Dispatch Instructions and WAPA EIM Entity operating orders in accordance with Good Utility Practice. If some limitation prevents the Transmission Customer from fulfilling the action requested by the MO or the WAPA EIM Entity, the Transmission Customer must immediately and directly communicate the nature of any such limitation to the WAPA EIM Entity;
- (b) Submit bids for resources that are reasonably expected to both be and remain available and capable of performing at the levels specified in the bid, based on all information that is known or should have been known at the time of submission;
- (c) Notify the MO and/or the WAPA EIM Entity, as applicable, of outages in accordance with Section 8 of this Attachment T;
- (d) Provide complete, accurate, and timely meter data to the WAPA EIM Entity in accordance with the metering and communication requirements of this Tariff, and maintain responsibility to ensure the accuracy of such data communicated by any customer-owned metering or communications systems. To the extent such information is not accurate or timely when provided to the WAPA EIM Entity, the Transmission Customer shall be responsible for any consequence on settlement and billing;
- (e) Provide information to the WAPA EIM Entity, including the information requested in Sections 5.2.1, 5.2.2, 5.2.3, 5.2.4 and 10.1 of this Attachment T, by the applicable deadlines; and
- (f) Utilize commercially reasonable efforts to ensure that forecasts are accurate and based on all information that is known or should have been known at the time of submission to the WAPA EIM Entity.

## 10.3 Enforcement

The WAPA EIM Entity may refer a violation of Section 10.2 of this Attachment T to the appropriate Federal agencies (including FERC, the Department of Energy or the Department of Justice) or the MO. Violations of these rules of conduct may be enforced by the MO or appropriate Federal agencies in accordance with their rules and

procedures. Nothing in this Section 10 is meant to limit any other remedy before FERC or any applicable judicial, governmental, or administrative body.

## 11. Market Contingencies

### 11.1 Temporary Suspension by the MO

In the event that the MO implements a temporary suspension in accordance with the MO Tariff, the WAPA EIM Entity shall utilize Schedules 4 and 9, and Sections 15.7 and 28.5 of WAPA's Tariff until the temporary suspension is no longer in effect or, if the MO determines to extend the suspension, for a period of time sufficient to process termination of the WAPA EIM Entity's participation in the EIM in accordance the MO Tariff.

Any EIM related service charges that continue to be incurred by the WAPA EIM Entity during temporary suspension, as provided by the WAPA EIM Entity's business practices, shall be settled in accordance with the applicable schedules promulgated in the addendums of this Attachment T.

### 11.2 Termination of Participation in EIM by the WAPA EIM Entity

If the WAPA EIM Entity submits a notice of termination of its participation in the EIM to the MO in accordance with the applicable agreements and Section 5.1.1.5 of this Attachment T, in order to mitigate price exposure during the 180-day period between submission of the notice and the termination effective date, the WAPA EIM Entity may invoke the following corrective actions by requesting that the MO:

- (a) prevent EIM Transfers and separate the WAPA EIM Entity's BAA from operation of the EIM in the EIM Area; and
- (b) suspend settlement of EIM charges with respect to the WAPA EIM Entity.

Once such corrective actions are implemented by the MO, the WAPA EIM Entity shall utilize Schedules 4 and 9 and Sections 15.7 and 28.5 of WAPA's Tariff. If the WAPA EIM Entity takes action under this Section 11.2, the WAPA EIM Entity shall notify the MO and Transmission Customers.

### 11.3 Corrective Actions Taken by the WAPA EIM Entity for Temporary Contingencies

The WAPA EIM Entity may declare a temporary contingency and invoke corrective actions for the EIM when in its judgment:

- (a) operational circumstances (including a failure of the EIM to produce feasible results in WAPA's BAA) have caused or are in danger of causing an abnormal system condition in WAPA's BAA that requires immediate action to prevent loss

of load, equipment damage, or tripping system elements that might result in cascading outages, or to restore system operation to meet the applicable Reliability Standards and reliability criteria established by NERC and WECC; or

(b) communications between the MO and the WAPA EIM Entity are disrupted and prevent the WAPA EIM Entity, the WAPA EIM Entity Scheduling Coordinator, or a WAPA EIM Participating Resource Scheduling Coordinator from accessing MO systems to submit or receive information.

If either of the above temporary contingencies occurs, the WAPA EIM Entity may invoke the following corrective actions by requesting that the MO:

(a) prevent EIM Transfers and separate the WAPA EIM Entity's BAA from operation of the EIM in the EIM Area; and/or

(b) suspend settlement of EIM charges with respect to the WAPA EIM Entity. When such suspension is implemented or if the MO Tariff requires the use of these temporary schedules to set an administrative price, the WAPA EIM Entity shall utilize Schedules 4 and 9 and Sections 15.7 and 28.5 of WAPA's Tariff.

If the WAPA EIM Entity takes action under this Section 11.3, the WAPA EIM Entity shall notify the MO and Transmission Customers. The WAPA EIM Entity and the MO shall cooperate to resolve the temporary contingency event and restore full EIM operations as soon as is practicable.

## **Addendum 1 to Attachment T**

### **SCHEDULE 1T EIM Administrative Service**

This Schedule 1T shall apply when WAPA DSR, as WAPA EIM Entity, is participating in the EIM and when the EIM has not been suspended. Schedule 1T shall apply in addition to Schedule 1 of this Tariff. To the extent the WAPA EIM Entity incurs EIM Administrative Service related charges during periods of market suspension or contingency, as described in Section 11 of Attachment T of this Tariff, this Schedule 1T shall also apply to ensure the WAPA EIM Entity remains revenue neutral for its participation in the EIM.

This service recovers the administrative costs for participation in the EIM by the WAPA EIM Entity, including but not limited to such administrative charges as may be incurred by the WAPA EIM Entity from the MO. All Transmission Customers purchasing Long Term Firm Point-to-Point Transmission Service, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, or Network Integration Transmission Service from the WAPA EIM Entity shall be required to acquire EIM Administrative Service from the WAPA EIM Entity.

The specific charges for EIM Administrative Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations, and policies.

The WAPA EIM Entity may modify the charges under the Schedule upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for this service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The WAPA EIM Entity shall charge the Transmission Customer in accordance with the rate then in effect.

## **Addendum 2 to Attachment T**

### **SCHEDULE 4T EIM Energy Imbalance Service**

This Schedule 4T shall apply when WAPA DSR, as WAPA EIM Entity, is participating in the EIM and when the EIM has not been suspended. In accordance with Section 11 of Attachment T of this Tariff, Schedule 4 of this Tariff shall apply when the WAPA EIM Entity is not participating in the EIM or when the EIM has been suspended. To the extent the WAPA EIM Entity incurs EIM Energy Imbalance Service related charges during periods of market suspension or contingency, as described in Section 11 of Attachment T of this Tariff, this Schedule 4T shall also apply to ensure the WAPA EIM Entity remains revenue neutral for its participation in the EIM.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within the WAPA EIM Entity's BAA. The WAPA EIM Entity must offer this service when transmission service is used to serve load within its BAA. The Transmission Customer must either purchase this service from the WAPA EIM Entity or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation.

A Transmission Customer shall be charged or paid for Energy Imbalance Service charges allocated to the WAPA EIM Entity for its participation in the EIM, in accordance with the specific methodology for cost assessment set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges and payments for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The WAPA EIM Entity may modify the compensation for this service upon written notice to the Transmission Customer. Any change to the compensation to the Transmission Customer for this service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The WAPA EIM Entity shall charge the Transmission Customer in accordance with the rate then in effect.



## **Addendum 3 to Attachment T**

### **SCHEDULE 9T EIM Generator Imbalance Service**

This Schedule 9T shall apply when WAPA DSR, as WAPA EIM Entity, is participating in the EIM and when the EIM has not been suspended. In accordance with Section 11 of Attachment T of this Tariff, Schedule 9 of this Tariff shall apply when the WAPA EIM Entity is not participating in the EIM and when the EIM has been suspended. To the extent the WAPA EIM Entity incurs EIM Generator Imbalance Service related charges during periods of market suspension or contingency, as described in Section 11 of Attachment T of this Tariff, this Schedule 9T shall also apply to ensure the WAPA EIM Entity remains revenue neutral for its participation in the EIM.

Generally, Generator Imbalance Service is provided when a difference occurs between the output of a generator that is not an EIM Participating Resource located in the WAPA EIM Entity's BAA, as reflected in the resource component of the Transmission Customer Base Schedule, and the delivery schedule from that generator to (1) another BAA or (2) a load within the WAPA EIM Entity's BAA. The WAPA EIM Entity must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when its transmission service is used to deliver energy from a generator located within its BAA. The Transmission Customer must either purchase this service from the WAPA EIM Entity or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation.

A Transmission Customer shall be charged or paid for Generator Imbalance Service charges allocated to the WAPA EIM Entity for its participation in the EIM, in accordance with the specific methodology for cost assessment set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. Such charges may include those due to operational adjustments of any affected Interchange. The rates or rate methodology used to calculate the charges and payments for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The WAPA EIM Entity may modify the compensation for this service upon written notice to the Transmission Customer. Any change to the compensation to the Transmission Customer for this service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The WAPA EIM Entity shall charge the Transmission Customer in accordance with the rate then in effect.

**Applicability to Interconnection Customers:** To the extent the Interconnection Customer is a different entity than the Transmission Customer and controls the output of a generator located in the WAPA EIM Entity's BAA, the Interconnection Customer may be subject to charges for Generator Imbalance Service (rather than the Transmission Customer) in accordance with this Schedule 9T.

DISCLAIMER: WAPA's Open Access Transmission Tariff (OATT) is filed with the Federal Energy Regulatory Commission (FERC).  
WAPA's filings and associated FERC orders establish the rates, terms and conditions of service. This version is  
prepared for the convenience of WAPA's customers and any conflicts between this document and  
the version filed shall be resolved in favor of the version filed.

**Standard Large Generator**  
**Interconnection Procedures (LGIP)**  
**(Applicable to Generating Facilities that exceed 20 MW)**

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Appendix 1 – Interconnection Request for a Large Generating Facility

Appendix 2 – Interconnection Feasibility Study Agreement

Appendix 3 – Interconnection System Impact Study Agreement

Appendix 4 – Interconnection Facilities Study Agreement

Appendix 5 – Optional Interconnection Study Agreement

Appendix 6 – Standard Large Generator Interconnection Agreement

Appendix 7 – Interconnection Procedures for a Wind Generating Plant

## **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 Transmission Provider's Transmission 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 Transmission Provider's Transmission 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 Transmission 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 Transmission System to which the Generating Facility is directly interconnected.

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

**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 a unit shall mean the date on which the 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.

**Contingent Facilities** shall mean those unbuilt Interconnection Facilities, Network Upgrades, and/or planned upgrades not yet in service upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for Re-Studies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing. Contingent Facilities are identified in Appendix A of the Standard Large Generator Interconnection Agreement.

**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.

**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 System** shall mean the Transmission 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** shall mean the additions, modifications, and upgrades to the Transmission 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.

**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 Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission 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.

**Energy Resource Interconnection Service** shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

**Engineering & Procurement (E&P) Agreement** shall mean an agreement that authorizes the Transmission 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.

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

**Generating Facility** shall mean Interconnection Customer's or Surplus Interconnection Service Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request or the Surplus Interconnection Service Request, respectively, but

shall not include the Interconnection Customer's or Surplus Interconnection Service Customer's Interconnection Facilities.

**Generating Facility Capacity** shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

**Good Utility Practice** shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric 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, Transmission 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 Transmission Provider's Interconnection Facilities to obtain back feed power.

**Interconnection Customer** shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission 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 Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

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

**Interconnection Facilities Study** shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities 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 Transmission Provider's Transmission 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 Transmission Provider's Transmission 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 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 Transmission Provider's Transmission System.

**Interconnection Service** shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission 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 Transmission Provider's Tariff.

**Interconnection Service Level** shall mean the maximum amount of electrical output (MW) requested by the Interconnection Customer to be injected at the Point of Interconnection.

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

**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.

**Joint Operating Committee** shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection 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 Resource** shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

**Network Resource Interconnection Service** shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

**Network Upgrades** shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

**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 Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

**Permissible Technological Advancement** shall mean modification to equipment that: (1) results in electrical performance that is equal to or better than the electrical performance expected prior to the technology change; (2) does not cause any reliability concerns; (3) does not degrade the electrical characteristics of the generating equipment, e.g., the ratings, impedances, efficiencies, capabilities, and performance of the equipment under steady-state and dynamic conditions; and (4) does not have a material impact on the cost or timing of any Interconnection Request with a later queue priority date, and is therefore not a Material Modification. A Permissible Technological Advancement is a change in equipment that may achieve cost or grid performance efficiencies, and it may include turbines, inverters, plant supervisory controls or other devices that could affect a Generating Facility's ability to provide Ancillary Services but does not include changes in generation technology type or fuel type, e.g., wind to solar or natural gas to wind.

**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 Transmission 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 Transmission Provider's Transmission System.

**Provisional Interconnection Service** shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

**Provisional Large Generator Interconnection Agreement** shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

**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 Transmission 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 Procedures, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

**Scoping Meeting** shall mean the meeting between representatives of the Interconnection Customer and Transmission 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 are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission 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. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Calendar Days of its determination.

**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 Transmission 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 Transmission Provider's Tariff.

**Surplus Interconnection Service** shall mean any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

**Surplus Interconnection Service Agreement** shall mean the agreement for Surplus Interconnection Service established among the Transmission Provider, the Surplus Interconnection Service Customer, and the existing Interconnection Customer at the Point of Interconnection if that entity or its affiliate is not the Surplus Interconnection Service Customer. The Surplus Interconnection Service Agreement shall take the form of the Large Generator Interconnection Agreement, modified for Surplus Interconnection Service purposes.

**Surplus Interconnection Service Customer** shall mean either the Interconnection Customer to the original LGIA with unneeded Interconnection Service or the entity that proposes to utilize Surplus Interconnection Service.

**Surplus Interconnection Service Facilities Study** shall mean the study performed in situations where additional Interconnection Facilities are identified by the Transmission Provider as being required to support the requested Surplus Interconnection Service.

**Surplus Interconnection Service Facilities Study Agreement** shall mean the agreement for conducting the Surplus Interconnection Service Facilities Study. The Surplus Interconnection Service Facilities Study Agreement shall be similar in form to Appendix 4 of this LGIP.

**Surplus Interconnection Service System Impact Study** shall mean a study conducted by the Transmission Provider consisting of reactive power, short circuit/fault duty, stability analyses,



and any other appropriate studies necessary for the Transmission Provider to demonstrate reliable operation of the Surplus Interconnection Service on the Transmission System.

**Surplus Interconnection Service System Impact Study Agreement** shall mean the agreement for conducting the Surplus Interconnection Service System Impact Study. The Surplus Interconnection Service System Impact Study Agreement shall be similar in form to Appendix 3 of this LGIP.

**Surplus Interconnection Service Request** shall mean a request for Surplus Interconnection Service submitted by a Surplus Interconnection Service Customer.

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

**Tariff** shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, and as amended or supplemented from time to time, or any successor tariff.

**Transmission Owner** shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

**Transmission 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 Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

**Transmission Provider's Interconnection Facilities** shall mean all facilities and equipment owned, controlled, or operated by the Transmission 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. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

**Transmission System** shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

**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.

## **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.**

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

### **2.3 Base Case Data.**

Transmission Provider shall maintain base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list on either its OASIS site or a password-protected website, subject to confidentiality provisions in LGIP Section 13.1. In addition, Transmission Provider shall maintain network models and underlying assumptions on either its OASIS site or a password-protected website. Such network models and underlying assumptions should reasonably represent those used during the most recent interconnection study for which the Interconnection Customer has a valid Interconnection Request and be representative of current system conditions with assumed higher queued generation and transmission additions. If Transmission Provider posts this information on a password-protected website, a link to the information must be provided on Transmission Provider's OASIS site. Transmission Provider is permitted to require that Interconnection Customers, OASIS site users and password-protected website users sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (i) generation projects and (ii) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

### **2.4 No Applicability to Transmission Service.**

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

## **Section 3. Interconnection Requests**

### **3.1 General.**

An Interconnection Customer shall submit to Transmission Provider an Interconnection Request in the form of Appendix 1 to this LGIP and a refundable deposit of \$10,000. Transmission Provider shall apply the deposit toward the cost of the Scoping Meeting and 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.

At Interconnection Customer's option, Transmission 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.

Interconnection Customer may request an Interconnection Service Level below the Generating Facility Capacity. These requests for Interconnection Service shall be studied at the Interconnection Service Level requested for purposes of Interconnection Facilities, Network Upgrades, and associated costs, but may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by the Interconnection Customer. If after the additional studies are complete, Transmission Provider determines that additional Network Upgrades are necessary, then Transmission Provider must: (1) specify which additional Network Upgrade costs are based on which studies; and (2) provide a detailed explanation of why the additional Network Upgrades are necessary. Any Interconnection Facility and/or Network Upgrade costs required for safety and reliability also will be borne by the Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of the executed LGIA. The provisions related to requests and studies for an Interconnection Service Level below the Generating Facility Capacity are set forth in Sections 3.1, 6.3, 7.3, and 8.2 of this LGIP, and in Section 5.j of Appendix 1 to this LGIP.

### **3.2 Identification of Types of Interconnection Services.**

At the time the Interconnection Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service, as described; provided, however, any Interconnection Customer requesting Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service, up to the point when an Interconnection Facilities Study Agreement is executed. Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower Interconnection Service Level to the extent that only certain upgrades will be completed.

#### **3.2.1 Energy Resource Interconnection Service.**

**3.2.1.1 The Product.** Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large

Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. Energy Resource Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.

**3.2.1.2 The Study.** The study consists of short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The short circuit/fault duty analysis would identify direct Interconnection Facilities required and the Network Upgrades necessary to address short circuit issues associated with the Interconnection Facilities. The stability and steady state studies would identify necessary 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 requiring additional Network Upgrades.

### **3.2.2 Network Resource Interconnection Service.**

**3.2.2.1 The Product.** Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur.

**3.2.2.2 The Study.** The Interconnection Study for Network Resource Interconnection Service shall assure that Interconnection Customer's Large Generating Facility meets the requirements for Network Resource Interconnection Service and as a general matter, that such Large Generating Facility's interconnection is also studied with Transmission Provider's Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Large Generating Facility at full output, the aggregate of generation in the local area can be delivered to the aggregate of load on Transmission Provider's Transmission System, consistent with Transmission Provider's reliability criteria and procedures. This approach assumes that some portion of existing Network Resources are displaced by the output of Interconnection Customer's Large

Generating Facility. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

### **3.3 Utilization of Surplus Interconnection Service.**

Transmission Provider's process in this Section 3.3 allows an Interconnection Customer to utilize or transfer Surplus Interconnection Service at an existing Point of Interconnection. The original Interconnection Customer or one of its affiliates shall have priority to utilize Surplus Interconnection Service. If the existing Interconnection Customer or one of its affiliates does not exercise its priority, then that service may be made available to other potential Interconnection Customers.

#### **3.3.1 Surplus Interconnection Service Requests.**

Surplus Interconnection Service Requests may be made by the existing Interconnection Customer whose Generating Facility is already interconnected or one of its affiliates. Surplus Interconnection Service Requests also may be made by another Interconnection Customer. Transmission Provider shall provide a process for evaluating Interconnection Requests for Surplus Interconnection Service. Studies for Surplus Interconnection Service shall consist of reactive power, short circuit/fault duty, stability analyses, and any other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. If the Surplus Interconnection Service was not studied under off-peak conditions, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original Interconnection System Impact Study is not available for the Surplus Interconnection Service, both off-peak and peak analysis may need to be performed for the existing Generating Facility associated with the Surplus Interconnection Service Request. The reactive power, short circuit/fault duty, stability, and steady-state analyses for Surplus Interconnection Service will identify any additional Interconnection Facilities and/or Network Upgrades necessary.

All notifications and requests for Surplus Interconnection Service shall be submitted utilizing Appendix 1 to this LGIP and in accordance with Transmission Provider's business practice(s) posted on its OASIS website, and shall be processed outside of the interconnection queue. In order to deem a Surplus Interconnection Service Request valid and complete, a deposit of \$25,000 must be received by Transmission Provider. The Surplus Interconnection Service Request shall be reviewed to determine whether it qualifies as such, including but not limited to whether the existing Point of

Interconnection has unused capacity equal to or greater than the requested surplus capacity. Transmission Provider will notify the Surplus Interconnection Service Customer as to whether its Surplus Interconnection Service Request is valid, as further described in Section 3.3.2 below. If the Surplus Interconnection Service Request is not valid, the notification to the Surplus Interconnection Service Customer will include an explanation of why it is not valid. Once a Surplus Interconnection Service Request has been deemed valid, Transmission Provider will assign a unique identification number, distinct from the numbers assigned for the existing interconnection queue, for the purpose of tracking the Surplus Interconnection Service Request and assigning priority in relation to other Surplus Interconnection Service Requests.

### **3.3.2 Customer Identification.**

If the Surplus Interconnection Service Customer is not the existing Interconnection Customer at the Point of Interconnection (Existing Customer) or an affiliate of the Existing Customer, Transmission Provider will contact the Existing Customer and inform it that a Surplus Interconnection Service Request has been made that will potentially impact its existing LGIA.

**3.3.2.1** If the Surplus Interconnection Service Customer is not the Existing Customer or an affiliate of the Existing Customer, the following conditions must be met for the Surplus Interconnection Service Request to be considered valid:

- (a) The Existing Customer must agree in writing to allow the Surplus Interconnection Service Customer to use the Surplus Interconnection Service; and
- (b) The Existing Customer shall stipulate the amount of Surplus Interconnection Service that is available and when that service is available, and shall describe any other conditions under which Surplus Interconnection Service at the Point of Interconnection may be used.

### **3.3.3 Surplus Interconnection Service System Impact Study.**

**3.3.3.1** Within ten (10) Business Days following notification of a valid application for Surplus Interconnection Service, Transmission Provider will tender to the Surplus Interconnection Service Customer a Surplus Interconnection Service System Impact Study Agreement, which includes a good faith estimate of the estimated timeframe for completing the Surplus Interconnection Service System Impact Study. The Surplus Interconnection Service System Impact Study Agreement shall specify that the Surplus Interconnection Service Customer is responsible for the actual cost of the Surplus Interconnection Service System Impact Study.



- 3.3.3.2** The Surplus Interconnection Service Customer shall execute and deliver the Surplus Interconnection Service System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt, together with an additional \$25,000 deposit to be used in preparation of the Surplus Interconnection Service System Impact Study and report.
- 3.3.3.3** Transmission Provider will evaluate the original Interconnection System Impact Study for the existing service at the Point of Interconnection to determine its suitability for use in the evaluation of the Surplus Interconnection Service Request. In addition, if required, Transmission Provider will perform those analyses described in Section 3.3.1 to evaluate the capability at the existing Point of Interconnection for Surplus Interconnection Service. These analyses will identify any required Interconnection Facilities, Network Upgrades, or necessary control technologies.
- 3.3.3.4** Transmission Provider will use Reasonable Efforts to complete the Surplus Interconnection Service study(ies) described in this Section 3.3.3 within ninety (90) Calendar Days. If Transmission Provider anticipates that the Surplus Interconnection Service study(ies) will not be completed within the required time, the Surplus Interconnection Service Customer will be notified and provided an estimate of the expected date of completion. After the completion of the study(ies), Transmission Provider will provide the Surplus Interconnection Service Customer a report indicating what Interconnection Facilities and necessary control technologies, if any, will be required to provide Surplus Interconnection Service. If any additional Network Upgrades are identified as being required for Surplus Interconnection Service, the Surplus Interconnection Service Request will be denied, and the Surplus Interconnection Service Customer may submit a new Interconnection Request in accordance with Section 3.4 of this LGIP.

Transmission Provider is required to perform an environmental review of the Surplus Interconnection Service Request, including review under the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321, et seq., insofar as the Surplus Interconnection Service Request pertains to the interconnection of a Generating Facility to Transmission Provider's Transmission System and, if applicable, requires the construction of Interconnection Facilities. Therefore, Transmission Provider will use Reasonable Efforts to tender, within fifteen (15) Calendar Days of providing an Surplus Interconnection Service System Impact Study report to the Surplus Interconnection Service Customer, an environmental review agreement authorizing



Transmission Provider, at the Surplus Interconnection Service Customer's expense, to perform an environmental review of the proposed interconnection, including review under NEPA, and setting forth the Surplus Interconnection Service Customer's responsibilities in connection with such environmental review. The Surplus Interconnection Service Customer shall execute the environmental review agreement and return it, along with the required funds set forth in the agreement, to Transmission Provider within thirty (30) Calendar Days of receipt of the final version offered for execution. If an executed environmental review agreement and the required funds are not provided in the manner set forth above, the Surplus Interconnection Service Request shall be deemed withdrawn. A Surplus Interconnection Service Customer shall have no right to cure the failure to deliver the executed environmental review agreement or the required funds in the timeframe identified above. If the costs incurred by Transmission Provider are less than the deposit submitted by the Surplus Interconnection Service Customer, Transmission Provider will refund the difference, without interest, as soon as the necessary vouchers may be prepared. In addition, if at any time prior to the issuance of Transmission Provider's final NEPA decisional document the Surplus Interconnection Service Customer fails to comply with the terms of the environmental review agreement, Transmission Provider reserves the right to deem the Surplus Interconnection Service Request withdrawn.

If no Interconnection Facilities or necessary control technologies are required, the Surplus Interconnection Service Customer will have thirty (30) Calendar Days after receiving the report to determine if it will negotiate a Surplus Interconnection Service Agreement. If the Surplus Interconnection Service Customer does not seek to negotiate a Surplus Interconnection Service Agreement, its Surplus Interconnection Service Request will be deemed withdrawn.

### **3.3.4 Surplus Interconnection Service Facilities Study.**

**3.3.4.1** If the Surplus Interconnection Service System Impact Study report developed under Section 3.3.3 above identifies any Interconnection Facilities and/or control technologies as necessary for the utilization of the Surplus Interconnection Service, Transmission Provider will tender to the Surplus Interconnection Service Customer a Surplus Interconnection Service Facilities Study Agreement simultaneously with the delivery of the report. The Surplus Interconnection Service Facilities Study Agreement shall provide that the Surplus Interconnection Service Customer shall compensate Transmission Provider for the actual cost of the Surplus Interconnection Service Facilities Study.

- 3.3.4.2** The Surplus Interconnection Service Customer shall execute and deliver the Surplus Interconnection Service Facilities Study Agreement to Transmission Provider within thirty (30) Calendar Days after its receipt, together with an additional \$50,000 deposit to be used in preparation of the Surplus Interconnection Service Facilities Study and report.
- 3.3.4.3** Transmission Provider will use Reasonable Efforts to complete the Surplus Interconnection Service Facilities Study and issue the report within ninety (90) Calendar Days after the receipt of the Surplus Interconnection Service Facilities Study Agreement and required study deposit, with a +/- 20 percent cost estimate contained in the report. If Transmission Provider is unable to complete the Surplus Interconnection Service Facilities Study within the time required, it will notify the Surplus Interconnection Service Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.
- 3.3.4.4** The Surplus Interconnection Service Customer will have thirty (30) Calendar Days after receiving the Surplus Interconnection Service Facilities Study report to determine if it will negotiate a Surplus Interconnection Service Agreement. If the Surplus Interconnection Service Customer does not seek to negotiate a Surplus Interconnection Service Agreement, its Surplus Interconnection Service Request will be deemed withdrawn.

### **3.3.5 Surplus Interconnection Service Agreement.**

- 3.3.5.1** If the Surplus Interconnection Service Customer requests to negotiate a Surplus Interconnection Service Agreement as provided for in Sections 3.3.3.4 or 3.3.4.4 above, Transmission Provider will tender to the Surplus Interconnection Service Customer a draft Surplus Interconnection Service Agreement within sixty (60) Calendar Days. The Surplus Interconnection Service Customer and Existing Customer (if the Existing Customer or its affiliate is not the Surplus Interconnection Service Customer) shall provide comments to Transmission Provider within thirty (30) Calendar Days following receipt of the draft Surplus Interconnection Service Agreement.
- 3.3.5.2** Transmission Provider, the Existing Customer (if the Existing Customer or its affiliate is not the Surplus Interconnection Service Customer), and the Surplus Interconnection Service Customer shall coordinate as necessary to establish the necessary conditions of Surplus Interconnection Service, such as the term of operation, the limitation on total combined Generating Facility output at the Point

of Interconnection, if applicable, and the mode of operation for energy production (i.e., common or singular operation), and to establish the roles and responsibilities of the Parties for maintaining the operation of the Interconnection Facilities.

**3.3.5.3** Transmission Provider shall decide whether to offer to the applicable Parties a final Surplus Interconnection Service Agreement based on the conclusions Transmission Provider reaches in a record of decision under NEPA, or other such appropriate NEPA document, concerning the Surplus Interconnection Service Request; provided, that this decision shall not be subject to dispute resolution. If Transmission Provider decides to offer a final Surplus Interconnection Service Agreement, Transmission Provider shall use Reasonable Efforts to do so with thirty (30) Calendar Days after the relevant record of decision under NEPA, or other such appropriate NEPA document, has been completed.

If Transmission Provider decides to offer a final Surplus Interconnection Service Agreement, Transmission Provider shall have that final agreement executed by the applicable Parties.

### **3.3.6 Conditions Applicable to Surplus Interconnection Service.**

**3.3.6.1** Surplus Interconnection Service shall only be available at the pre-existing Point of Interconnection of the Existing Customer.

**3.3.6.2** Surplus Interconnection Service may be offered under a variety of circumstances, including, for example, on a continuous basis (i.e., a specific number of MW of Surplus Interconnection Service always available for use by a co-located Generating Facility) or on a scheduled, periodic basis (i.e., a specified number of MW available intermittently). This includes situations where existing Generating Facilities operate infrequently (e.g., peaking units) or often operate below their full Generating Facility Capacity (e.g., variable energy resources).

**3.3.6.3** Surplus Interconnection Service cannot be offered until all facilities required for the Existing Customer's Interconnection Service (including all Contingent Facilities) are constructed and in service.

**3.3.6.4** Surplus Interconnection Service cannot be offered if the Existing Customer's Generating Facility is scheduled to retire and permanently cease Commercial Operation before the Surplus Interconnection Service Customer's Generating Facility begins Commercial Operation.

Furthermore, Surplus Interconnection Service generally shall no longer be available when the Existing Customer's Generating Facility retires and permanently ceases Commercial Operation. However, in accordance with the requirements set forth in Order No. 845, et seq., Transmission Provider will permit a limited continuation of Surplus Interconnection Service for up to one (1) year after such retirement and cessation when the following conditions are met:

- (a) The Surplus Interconnection Service Customer's Generating Facility was studied by Transmission Provider for sole operation at the Point of Interconnection at the time of the interconnection of the Surplus Service Interconnection customer; and
- (b) The Existing Customer (which is also now the retiring Interconnection Customer) agreed in writing that the Surplus Interconnection Service Customer may continue to operate at either its limited share of the Existing Customer's Generating Facility Capacity in the Existing Customer's LGIA, as reflected in its Surplus Interconnection Service Agreement, or at any level below such limit upon the retirement and permanent cessation of Commercial Operation of the Existing Customer's Generating Facility.

If both these conditions are not met, then the Surplus Interconnection Service Agreement shall be drafted to, and shall, terminate simultaneously with the termination of the Existing Customer's LGIA from which the associated Surplus Interconnection Service is provided.

Interconnection Customers are under no obligation to choose Surplus Interconnection Service rather than seeking their own stand-alone Interconnection Service directly from Transmission Provider. Consequently, Interconnection Customers requiring greater up-front assurance that their Interconnection Service will not be affected by the retirement of another Generating Facility should carefully consider whether Surplus Interconnection Service is the correct service for their particular needs.

- 3.3.6.5** If the Existing Customer's LGIA provides for Energy Resource Interconnection Service, any associated Surplus Interconnection Service Requests may only be for Energy Resource Interconnection Service. If the Existing Customer's LGIA provides for Network Resource Interconnection Service, any associated Surplus Interconnection Service Requests may be for either Energy Resource

Interconnection Service or Network Resource Interconnection Service.

**3.3.6.6** If the use of Surplus Interconnection Service increases the total Generating Facility output at a Point of Interconnection, the total combined Generating Facility output at that Point of Interconnection for both the Existing Customer and the Surplus Interconnection Service Customer is limited to and shall not exceed the maximum Interconnection Service Level allowed under the Existing Customer's LGIA.

**3.3.6.7** The use of Surplus Interconnection Service does not convey any promise of or right to transmission service.

**3.3.7 Dispute Resolution.**

In the case of disagreement between the Parties involved in this Surplus Interconnection Service process, all dispute resolution procedures are available, including that: the Parties may submit a Notice of Dispute pursuant to Subsection 13.5.1 of this LGIP; the Parties may reach mutual agreement to pursue the arbitration process under Section 13.5 of this LGIP; or the Parties may file a request for non-binding dispute resolution pursuant to Subsection 13.5.5 of this LGIP.

**3.4 Valid Interconnection Request.**

**3.4.1 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 the Scoping Meeting and any Interconnection Studies pursuant to the Interconnection Request. If Interconnection Customer demonstrates Site Control within the cure period specified in Section 3.4.3 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 Transmission Provider's expansion planning period) not to exceed seven years from the date the Interconnection Request is received by Transmission 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 Transmission Provider by a period up to ten years, or longer where Interconnection Customer and Transmission Provider agree, such agreement not to be unreasonably withheld.

**3.4.2 Acknowledgment of Interconnection Request.**

Transmission Provider shall use Reasonable Efforts to 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 acknowledgement.

**3.4.3 Deficiencies in Interconnection Request.**

An Interconnection Request will not be considered to be a valid request until all items in Section 3.4.1 have been received by Transmission Provider. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.1, Transmission Provider shall use Reasonable Efforts to 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 Transmission 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 3.4.3 shall be treated in accordance with Section 3.7.

**3.4.4 Scoping Meeting.**

Transmission Provider shall use Reasonable Efforts to establish within ten (10) Business Days after receipt of a valid Interconnection Request a date agreeable to Interconnection Customer for the Scoping Meeting.

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. Transmission 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. Transmission 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.

**3.4.5 Environmental Review Agreement.**



Unless otherwise agreed, Transmission Provider shall use Reasonable Efforts to tender, within 15 Calendar Days of providing an Interconnection System Impact Study report to Interconnection Customer, an environmental review agreement authorizing Transmission Provider, at Interconnection Customer's expense, to perform environmental review of the proposed interconnection, including review under NEPA, 42 U.S.C. § 4321, et seq., as amended, and setting forth Interconnection Customer's responsibilities in connection with such environmental review. Interconnection Customer shall execute the environmental review agreement and return it, along with the required funds set forth in the agreement, to the Transmission Provider within 30 Calendar Days of receipt of the final version offered for execution. If an executed environmental review agreement and the required funds are not provided in the manner set forth above, the Interconnection Request shall be deemed withdrawn. An Interconnection Customer shall have no right to cure the failure to deliver the executed environmental review agreement or the required funds in the timeframe identified above. If the costs incurred by Transmission Provider are less than the deposit submitted by Interconnection Customer, Transmission Provider shall refund the difference, without interest, as soon as the necessary vouchers may be prepared. In addition, if at any time prior to the issuance of Transmission Provider's final NEPA decisional document the Interconnection Customer fails to comply with the terms of the environmental review agreement, Transmission Provider reserves the right to deem the Interconnection Request withdrawn.

### **3.5 OASIS Posting.**

**3.5.1** Transmission Provider will maintain on its OASIS 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; (vi) the type of Interconnection Service being requested; and (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and (x) 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. Before holding a Scoping Meeting with its Affiliate, Transmission Provider shall post on OASIS an advance notice of its intent to do so. Transmission Provider shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to Transmission Provider's OASIS site subsequent to the meeting between Interconnection Customer and Transmission Provider to discuss the applicable



study results. Transmission Provider shall also post any known deviations in the Large Generating Facility's In-Service Date.

### **3.5.2 Requirement to Post Interconnection Study Metrics.**

Transmission Provider will maintain on its OASIS or its website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. For each calendar quarter, Transmission Provider must calculate and post the information detailed in Sections 3.5.2.1 through 3.5.2.4.

#### **3.5.2.1 Interconnection Feasibility Studies Processing Time.**

- (A) Number of Interconnection Requests that had Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the reporting quarter,
- (B) Number of Interconnection Requests that had Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than forty-five (45) Calendar Days after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection Feasibility Study Agreement,
- (C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Interconnection Feasibility Studies where such Interconnection Requests had executed Interconnection Feasibility Study Agreements received by Transmission Provider more than forty-five (45) Calendar Days before the reporting quarter end,
- (D) Mean time (in days), Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the date when Transmission Provider received the executed Interconnection Feasibility Study Agreement to the date when Transmission Provider provided the completed Interconnection Feasibility Study to the Interconnection Customer,
- (E) Percentage of Interconnection Feasibility Studies exceeding forty-five (45) Calendar Days to complete this reporting

quarter, calculated as the sum of 3.5.2.1(B) plus 3.5.2.1(C) divided by the sum of 3.5.2.1(A) plus 3.5.2.1(C)).

### **3.5.2.2 Interconnection System Impact Studies Processing Time.**

- (A) Number of Interconnection Requests that had Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter,
- (B) Number of Interconnection Requests that had Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than ninety (90) Calendar Days after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection System Impact Study Agreement,
- (C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Interconnection System Impact Studies where such Interconnection Requests had executed Interconnection System Impact Study Agreements received by Transmission Provider more than ninety (90) Calendar Days before the reporting quarter end,
- (D) Mean time (in days), Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the date when Transmission Provider received the executed Interconnection System Impact Study Agreement to the date when Transmission Provider provided the completed Interconnection System Impact Study to the Interconnection Customer,
- (E) Percentage of Interconnection System Impact Studies exceeding ninety (90) Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.2(B) plus 3.5.2.2(C) divided by the sum of 3.5.2.2(A) plus 3.5.2.2(C)).

### **3.5.2.3 Interconnection Facilities Studies Processing Time.**

- (A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter and tendered to the Interconnection Customer in draft form,

- (B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter that were completed and tendered to the Interconnection Customer in draft form more than ninety (90) or one hundred eighty (180) Calendar Days, as appropriate for that study, after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection Facilities Study Agreement,
- (C) At the end of the reporting quarter, the number of active valid Interconnection Service requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by Transmission Provider more than ninety (90) or one hundred eighty (180) Calendar Days, as appropriate for that study, before the reporting quarter end,
- (D) Mean time (in days), for Interconnection Facilities Studies completed within Transmission Provider's coordinated region during the reporting quarter, calculated from the date when Transmission Provider received the executed Interconnection Facilities Study Agreement to the date when Transmission Provider provided the completed draft Interconnection Facilities Study to the Interconnection Customer,
- (E) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of 3.5.2.3(B) plus 3.5.2.3(C) divided by the sum of 3.5.2.3(A) plus 3.5.2.3(C)).

**3.5.2.4 Interconnection Service Requests Withdrawn from Interconnection Queue.**

- (A) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter,
- (B) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of any interconnection studies or execution of any interconnection study agreements,
- (C) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the

reporting quarter before completion of an Interconnection System Impact Study,

- (D) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection Facilities Study,
- (E) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue after execution of a generator interconnection agreement or Interconnection Customer requests the filing of an unexecuted, new interconnection agreement,
- (F) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when Transmission Provider received the request to withdraw from the queue.

**3.5.3** Transmission Provider is required to post on OASIS or its website the measures in paragraph 3.5.2.1(A) through paragraph 3.5.2.4(F) for each calendar quarter within thirty (30) Calendar Days of the end of the calendar quarter. Transmission Provider will keep the quarterly measures posted on OASIS or its website for three calendar years with the first required report to be for the first quarter of calendar year 2022. If Transmission Provider retains this information on its website, a link to the information must be provided on Transmission Provider's OASIS site.

**3.5.4** In the event that any of the values calculated in paragraphs 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeds 25 percent for two consecutive calendar quarters, Transmission Provider will have to comply with the measures below for the next four consecutive calendar quarters and must continue reporting this information until Transmission Provider reports four consecutive calendar quarters without the values calculated in 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeding 25 percent for two consecutive calendar quarters:

- (i) Transmission Provider must post on the OASIS a report describing the reason for each study or group of clustered studies pursuant to an Interconnection Request that exceeded its deadline (i.e., 45, 90 or 180 days) for completion (excluding any allowance for Reasonable Efforts). Transmission Provider must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future.
- (ii) Transmission Provider shall aggregate the total number of employee-hours and third party consultant hours expended towards interconnection

studies within its coordinated region that quarter and post on OASIS or its website. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. This information is to be posted within thirty (30) Calendar Days of the end of the calendar quarter.

### **3.6 Coordination with Affected Systems.**

Transmission 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. Transmission Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this LGIP. Interconnection Customer will cooperate with Transmission 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 Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

### **3.7 Withdrawal.**

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Transmission Provider. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 13.5 (Disputes), Transmission 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 actions that cures the deficiency or to notify Transmission Provider of its intent to pursue Dispute Resolution. The failure to submit an agreement and/or required funds in accordance with a deadline cannot be cured by the Interconnection Customer providing the agreement and/or required funds to the Transmission Provider during the fifteen (15) Business Days after receipt of a withdrawal notice.

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 Transmission Provider all costs that Transmission Provider prudently incurs with respect to that Interconnection Request prior to Transmission Provider's receipt of notice described above. Interconnection Customer must pay all monies due to Transmission Provider before it is allowed to obtain any Interconnection Study data or results.

Transmission Provider shall (i) update the OASIS Queue Position posting and (ii) refund to Interconnection Customer any portion of Interconnection Customer's deposit or study payments that exceeds the costs that Transmission Provider has incurred. In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 13.1, shall provide, at Interconnection Customer's request, all information that Transmission Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

### **3.8 Identification of Contingent Facilities.**

As part of the Interconnection System Impact Study, Transmission Provider shall identify Contingent Facilities using the following methods:

- (1) Review all additions, modifications, and upgrades to Transmission Provider's Transmission System that are part of Transmission Provider's transmission expansion plan, and facilities identified as Network Upgrades through the Interconnection System Impact Studies for higher queued Interconnection Requests that are not yet in service. Contingent Facilities shall be identified from this list of facilities that meet the following criteria:
  - a. Power Transfer Distribution Factor or Outage Transfer Distribution Factor  $\geq 5\%$ ; or
  - b. MVA impact (Power Transfer Distribution Factor or Outage Transfer Distribution Factor multiplied by generator output of the Interconnection Request)  $\geq 5\text{MVA}$ ; or
  - c. MVA impact (Power Transfer Distribution Factor or Outage Transfer Distribution Factor multiplied by generator output of the Interconnection Request)  $\geq 1\%$  of the facility rating.
- (2) Coordination with applicable Affected System parties to determine what Contingent Facilities have been identified through Affected System studies based on their respective criteria.

The Contingent Facilities identified for a given Interconnection Request are the total of all facilities through each of the foregoing methods. Interconnection Customer will be provided a list of all Contingent Facilities to be provided to Interconnection Customer at the conclusion of the System Impact Study and included in Interconnection Customer's Large Generator Interconnection Agreement. Transmission Provider shall also provide, upon request of the Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each identified Contingent Facility when this information is readily available and not commercially sensitive.

## **Section 4. Queue Position**

### **4.1 General.**

Transmission 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 3.4.3, then Transmission 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.

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

#### **4.2 Clustering.**

At Transmission 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 Transmission 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 without regard to the nature of the underlying Interconnection Service, whether Energy Resource Interconnection Service or Network Resource Interconnection Service. 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. Transmission 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 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 Transmission Provider’s OASIS 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.**

With Transmission Provider's approval, an Interconnection Customer may transfer its Queue Position to another entity, but 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 Transmission 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 Transmission 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 Transmission Provider and Interconnection Customer, such acceptance not to be unreasonably withheld, Transmission 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 Transmission 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, through either (1) a decrease in Generating Facility Capacity (MW) or (2) a decrease in Interconnection Service Level (consistent with the process described in Section 3.1) accomplished by applying Transmission Provider-approved injection-limiting equipment; (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 Facilities Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) an additional decrease of up to 15 percent of electrical output of the proposed project through either (1) a decrease in Generating Facility Capacity (MW) or (2) a decrease in Interconnection Service Level (consistent with the process described in Section 3.1) accomplished by applying Transmission Provider-approved injection-limiting equipment; (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; and (c) a

Permissible Technological Advancement for the Large Generating Facility after the submission of the Interconnection Request. The incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer. Section 4.4.6 specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 4.4.2(c) is a Material Modification. Section 1 contains a definition of Permissible Technological Advancement.

- 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 Transmission Provider evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, Transmission 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 or otherwise initiated under mutual agreement between Transmission Provider and Interconnection Customer, 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, Transmission Provider shall use Reasonable Efforts to commence and perform any necessary additional studies within 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.
- 4.4.6 Technological Change Procedure.** Prior to the return of an executed Interconnection Facilities Study Agreement, the only modification permitted other than what is allowed per Section 4.4 – Modifications without potentially affecting Interconnection Customer's Queue Position, is a Permissible Technological Advancement. The Technological Change Procedure as outlined below sets forth the requirements for an Interconnection Customer to submit a Permissible Technological Advancement request and Transmission Provider's responsibilities for determining whether Interconnection Customer's proposed technological advancement is a Permissible Technological Advancement.

**4.4.6.1** If an Interconnection Customer seeks to incorporate a technological advancement into its existing Interconnection Request, Interconnection Customer must submit a Permissible Technological Advancement request to Transmission Provider prior to the return of an executed Interconnection Facilities Study Agreement. Interconnection Customer shall provide the following to Transmission Provider:

- (a) An updated Interconnection Request for a Large Generating Facility (Appendix 1 to this LGIP) and an updated Attachment A to Appendix 1 to this LGIP, that reflects the data associated with the change in technology or technological advancement that Interconnection Customer seeks to incorporate into its Interconnection Request;
- (b) A \$10,000 deposit within five (5) Business Days of being notified that additional studies are necessary;
- (c) A written description of the proposed technological advancement and supporting data or documentation which demonstrates why the proposed technological advancement meets the definition of a Permissible Technological Advancement; and
- (d) Updated power flow and dynamics models in digital format.

Upon receipt of a Permissible Technological Advancement request, Transmission Provider shall, within thirty (30) Calendar Days, determine whether the technological advancement is a Permissible Technological Advancement or a Material Modification. Any additional studies resulting from a proposed technological advancement shall be done at Interconnection Customer's cost.

**4.4.6.2** If Transmission Provider determines that the proposed technological advancement would not change any of the parameters in Appendix 1 of this LGIP, then no further study will be necessary and the proposed technological advancement will be considered a Permissible Technological Advancement. If Transmission Provider's assessment determines that the proposed technological advancement is a Permissible Technological Advancement, Transmission Provider shall notify Interconnection Customer and the Permissible Technological Advancement shall be incorporated into Interconnection Customer's Interconnection Request without the loss of Interconnection Customer's Queue Position.

**4.4.6.3** Should further studies be required for making a determination of a Material Modification, these Transmission Provider's studies may include steady-state, reactive power, short circuit/fault duty, stability analyses, and any other appropriate studies that Transmission Provider deems necessary to determine whether the proposed technological advancement results in electrical performance that is equal to or better than the electrical performance expected prior to the technology change, and whether such proposed technological advancement causes any reliability concerns. If Transmission Provider cannot accommodate the proposed technological advancement without triggering the Material Modification provision of this LGIP, Transmission Provider will tender a report with the results of the steady-state analyses, reactive power capabilities, short circuit/fault duty impacts, stability analyses, and any other studies that were completed, including an explanation of why the proposed technological advancement is deemed a Material Modification. Once notified, Interconnection Customer may withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

**4.4.6.4** At the conclusion of the study or studies, Transmission Provider will provide an accounting of the actual costs of the study or studies to Interconnection Customer and either refund any of the refundable portion of Interconnection Customer's deposit that exceeds the actual costs that Transmission Provider has incurred, or invoice Interconnection Customer for any shortage of actual costs that exceed Interconnection Customer's deposit.

## **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, Transmission Provider must offer Interconnection Customer the option of either continuing under Transmission 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.

#### **5.1.2 Transition Period.**

To the extent necessary, Transmission Provider and Interconnection Customers with an outstanding request 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 Transmission Provider; (ii) where the relevant Interconnection Study Agreements have not yet been executed; or (iii) 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 Transmission Provider to the extent consistent with the intent and process provided for under this LGIP.

#### **5.2 New Transmission Provider.**

If Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment 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 Interconnection Customer, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If Transmission Provider has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not executed the LGIA, unless otherwise provided, Interconnection Customer must complete negotiations with the successor Transmission Provider.

### **Section 6. Interconnection Feasibility Study**

#### **6.1 Interconnection Feasibility Study Agreement.**

Simultaneously with the acknowledgement of a valid Interconnection Request Transmission 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. Transmission Provider shall use Reasonable Efforts to tender to Interconnection Customer the Interconnection Feasibility Study Agreement signed by Transmission Provider within five (5) Business Days following Transmission Provider's receipt of such designation, including a good faith estimate of the cost for completing the Interconnection Feasibility Study. Interconnection Customer shall execute and deliver to Transmission 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 Transmission 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 Transmission 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 Transmission 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 3.4.4, shall be the substitute.

If Interconnection Customer and Transmission Provider agree to forgo the Interconnection Feasibility Study, Transmission 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 Transmission System.

The Interconnection Feasibility Study will consider the Base Case as well as all generating facilities (and with respect to (iii), any identified Network Upgrades) that, on the date the Interconnection Feasibility Study is commenced: (i) are directly interconnected to the Transmission 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 Transmission System; and (iv) have no Queue Position but have executed an LGIA. 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.**

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

Transmission Provider shall study the Interconnection Request at the Interconnection Service Level requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

#### **6.3.1 Meeting with Transmission Provider.**

Transmission Provider shall use Reasonable Efforts to meet with Interconnection Customer within ten (10) Business Days of providing an Interconnection Feasibility Study report to Interconnection Customer 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, Transmission Provider shall notify Interconnection Customer in writing. Transmission Provider shall use Reasonable Efforts to complete such Re-Study within 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 3.4.4, simultaneously with the delivery of the Interconnection Feasibility Study to Interconnection Customer, Transmission 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 Transmission Provider for the actual cost of the Interconnection System Impact Study. Transmission Provider shall use Reasonable



Efforts to provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection System Impact Study within three (3) Business Days following the Interconnection Feasibility Study results meeting.

## **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 Transmission 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, Transmission Provider shall use Reasonable Efforts to 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 Transmission 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 Transmission 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 3.4.4, 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 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 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 Transmission 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 Transmission System; and (iv) have no Queue Position but have executed an LGIA.

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. For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Interconnection System Impact Study shall consider the Interconnection Service Level requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns. 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.**

Transmission Provider shall coordinate the Interconnection System Impact Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.6 above. Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission 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 Transmission Provider uses Clustering, Transmission 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 Transmission Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection System Impact Study. If Transmission 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, Transmission Provider shall provide 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 Interconnection System Impact Study, subject to confidentiality arrangements consistent with Section 13.1.

#### **7.5 Meeting with Transmission Provider.**

Transmission Provider shall use Reasonable Efforts to meet with Interconnection Customer within ten (10) Business Days of providing an Interconnection System Impact Study report to Interconnection Customer 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, or 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, Transmission Provider shall notify Interconnection Customer in writing. Transmission Provider shall use Reasonable Efforts to complete such Re-Study within 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, Transmission 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 Transmission Provider for the actual cost of the Interconnection Facilities Study. Transmission Provider shall use Reasonable Efforts to provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study within three (3) Business Days following the Interconnection System Impact Study results meeting. Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to Transmission Provider within thirty (30) Calendar Days after its receipt, together with the required technical data and a deposit of \$100,000 for the performance of the Interconnection Facilities Study and other work, including, but not limited to, environmental review activities and development of an E&P Agreement and the LGIA.

**8.1.1** If Transmission Provider's cost of conducting the Interconnection Facilities Study and other work does not exceed the amount of the deposit, Transmission Provider shall continue to hold the remaining amount on deposit until settlement of the final invoice.

**8.1.2** If Transmission Provider's cost of conducting the Interconnection Facilities Study and other work exceeds the amount of the deposit, Transmission Provider shall invoice Interconnection Customer for any such additional costs on a monthly basis in advance. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission 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 Transmission 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 Transmission Provider's Interconnection Facilities and Network Upgrades

necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Facilities Study will also identify any potential control equipment for requests for Interconnection Service that are lower than the Generating Facility Capacity.

### **8.3 Interconnection Facilities Study Procedures.**

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.6 above. Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. Transmission 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. Regardless of the amount of such estimates, Interconnection Customer shall be invoiced by Transmission Provider and shall pay all actual costs associated with the equipment, environmental, 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 Transmission System, with such invoicing and payment to be made as set forth in Article 11.5 of the LGIA.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Facilities Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If Transmission 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 Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall use Reasonable Efforts to 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. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, work papers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1.

#### **8.4 Meeting with Transmission Provider.**

Transmission Provider shall use Reasonable Efforts to meet with Interconnection Customer within ten (10) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer to discuss the results of the Interconnection Facilities Study.

#### **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, Transmission Provider shall so notify Interconnection Customer in writing. Transmission Provider shall use Reasonable Efforts to complete such Re-Study within 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 an E&P Agreement that authorizes Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. If Transmission Provider determines that it may offer an E&P Agreement before completing an environmental analysis under NEPA, concerning the interconnection of the Large Generating Facility, Transmission Provider shall offer the Interconnection Customer such Agreement; provided, that Transmission Provider's determination shall not be subject to dispute resolution. However, Transmission 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 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, Transmission Provider may elect: (i) to take title to the equipment, in which event Transmission 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 Transmission Provider shall perform a reasonable number of Optional Studies. The request shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Section 10.2. Transmission Provider shall use Reasonable Efforts to provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 5 within five (5) Business Days after receipt of a request for an Optional Interconnection Study.

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) Transmission Provider's estimate of the cost of the Optional Interconnection Study. To the extent known by Transmission 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, Transmission 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 Transmission 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 Transmission Provider's Interconnection Facilities 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. Transmission 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. Transmission 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 Transmission Provider within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection



Study Agreement. Transmission 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 Transmission 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 in advance to Transmission Provider or refunded to Interconnection Customer, as appropriate. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation and work papers 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. Transmission Provider shall use Reasonable Efforts to tender a draft LGIA, together with draft appendices, within thirty (30) Calendar Days after the comments are received. The draft LGIA shall be in the form of Transmission Provider's standard form LGIA currently on file with FERC, which is in Appendix 6. If Interconnection Customer does not request negotiation pursuant to 11.2, the draft LGIA shall be considered the final LGIA and the Interconnection Customer shall execute and return it to the Transmission Provider within thirty (30) Calendar Days after receipt. If the Interconnection Customer does not return a signed copy of the final LGIA within thirty (30) days or request negotiation pursuant to Section 11.2, the Interconnection Customer's request shall be deemed withdrawn. Interconnection Customer understands that Transmission Provider's decision to execute the LGIA is dependent on conclusions reached in the record of decision under NEPA, or other such appropriate NEPA document, concerning the interconnection of the Large Generating Facility and that Transmission Provider's NEPA review could result in a decision not to execute the LGIA, or to delay LGIA execution. Transmission Provider's decision shall not be subject to dispute resolution.

### **11.2 Negotiation.**

Notwithstanding Section 11.1, at the request of Interconnection Customer, Transmission 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. Interconnection Customer shall be responsible for Transmission Provider's actual costs incurred as a result of negotiations under this LGIP, including legal, consulting, administrative and general costs; provided, that any Transmission Provider invoices shall include a detailed and itemized accounting of such costs. Transmission 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 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 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 draft 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. Transmission Provider shall decide whether to offer to Interconnection Customer a final LGIA based on the conclusions the Transmission Provider reaches in a record of decision under NEPA, or other such appropriate NEPA document, concerning the interconnection of the Large Generating Facility; provided, that this decision shall not be subject to dispute resolution. If Transmission Provider decides to offer Interconnection Customer a final LGIA, Transmission Provider shall use Reasonable Efforts to do so within fifteen (15) Business Days after the end of the negotiation process. Interconnection Customer shall execute and return the final LGIA within fifteen (15) Business Days after receipt or it shall be deemed to have withdrawn its Interconnection Request.

### **11.3 Execution.**

Interconnection Customer understands that Transmission Provider's decision to execute the LGIA is dependent on conclusions reached in the record of decision under NEPA, or other such appropriate NEPA document, concerning the interconnection of the Large Generating Facility and that Transmission Provider's NEPA review could result in a decision to not execute the LGIA, or to delay LGIA execution. Transmission Provider's decision shall not be subject to dispute resolution. Transmission Provider shall use Reasonable Efforts to execute and return the final LGIA to the Interconnection Customer within fifteen (15) Business Days after receipt. Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Transmission Provider (A) reasonable evidence of continued Site Control or (B) posting of a non-refundable deposit of \$250,000, 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. If the Interconnection Customer does not provide the above items within (15) Business Days after receipt of the final LGIA that has been executed by the Transmission Provider, it shall be deemed to have withdrawn its Interconnection Request.

### **11.4 Commencement of Interconnection Activities.**

If Interconnection Customer executes the final LGIA, Transmission Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA.

## **Section 12. Construction of Transmission Provider's Interconnection Facilities and Network Upgrades**

### **12.1 Schedule.**

Transmission Provider and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of Transmission Provider's Interconnection Facilities 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 Transmission System will determine the sequence of construction of Network Upgrades.

#### **12.2.2 Advance Construction of 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 Transmission Provider advance to the extent necessary the completion of 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 Transmission System, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider: (i) any associated expediting costs; and (ii) the cost of such Network Upgrades.

Transmission 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 Transmission 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. Transmission 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. Transmission 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 Network Upgrades that are Part of an Expansion Plan of the Transmission Provider.**

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of 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 Transmission Provider, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider: (i) any associated expediting costs; and (ii) the cost of such Network Upgrades. Transmission Provider shall refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 11.4 of the LGIA.

**12.2.4 Amended Interconnection System Impact Study.**

An Interconnection System Impact 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 or its Staff.**

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 it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112.

**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 ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

**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** Transmission 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.**



Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. Transmission Provider shall be liable to Interconnection Customer for the performance of such subcontractors only in accordance with the Federal Tort Claims Act provision set forth in Attachment J of Transmission Provider's Tariff. 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.**

Transmission 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 in advance 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. Transmission 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 Transmission 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 Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission 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 Transmission Provider determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with Transmission 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 Transmission Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review



deadline. Transmission Provider shall convey all work papers, 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 Transmission Provider at Transmission 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 Transmission 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. Transmission 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 referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

### **13.5.2 External Arbitration Procedures.**

Any arbitration initiated under these procedures 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 or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13, the terms of this Section 13 shall prevail.

**13.5.3 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 therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP in any manner. The decision of the arbitrator(s) shall be non-binding upon the Parties. 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.

**13.5.4 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.

**13.5.5 Non-binding Dispute Resolution Procedures.**

If a Party has submitted a Notice of Dispute pursuant to Section 13.5.1, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that Section, and the Parties cannot reach mutual agreement to pursue the Section 13.5 arbitration process, a Party may request that Transmission Provider engage in Non-binding Dispute Resolution pursuant to this Section by providing written notice to Transmission Provider ("Request for Non-binding Dispute Resolution"). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this Section without first seeking mutual agreement to pursue the Section 13.5 arbitration process. The process in Section 13.5.5 shall serve as an alternative to, and not a replacement of, the Section 13.5 arbitration process. Pursuant to this process, a Transmission Provider must within thirty (30) Calendar Days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with either Party. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the LGIP and LGIA and shall have no power to modify or change any provision of the LGIP and LGIA in any manner. The result reached in this process is not

binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a Section 13.5 arbitration. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

## **13.6 Local Furnishing Bonds.**

### **13.6.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds.**

This provision is applicable only to a Transmission 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, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this LGIA and LGIP if the provision of such Transmission Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Transmission Provider's facilities that would be used in providing such Interconnection Service.

### **13.6.2 Alternative Procedures for Requesting Interconnection Service.**

If Transmission 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 5.2(ii) of the Transmission 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 Transmission Provider's Transmission 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.

\_\_\_\_\_ Permissible Technological Advancement request related to an existing Interconnection Request.

\_\_\_\_\_ Provisional Interconnection Service related to an existing Interconnection Request or Interconnection Agreement. The existing Interconnection Queue Number associated with Provisional Interconnection Service Request is \_\_\_\_\_.

\_\_\_\_\_ Surplus Interconnection Service related to an existing LGIA. Existing LGIA Customer offering Surplus Interconnection Service:

\_\_\_\_\_  
Surplus Interconnection Service Customer:

\_\_\_\_\_  
Existing Generating Facility location and related Point of Interconnection where Surplus Interconnection Service is being offered:

\_\_\_\_\_  
For Surplus Interconnection Service, also include (1) proof that existing LGIA customer and Surplus Interconnection Customer have entered into a Surplus arrangement and (2) the System Impact Study performed for the Existing Generating Facility with its application or indicate that such study is not available.

3. The type of interconnection service requested (check one):

\_\_\_\_\_ Energy Resource Interconnection Service

\_\_\_\_\_ Network Resource Interconnection Service

4. \_\_\_\_\_ Check here only if Interconnection Customer requesting Network Resource Interconnection Service also seeks to have its Generating Facility studied for Energy Resource Interconnection Service
5. Interconnection Customer provides the following information for a proposed new Generating Facility, an increase to Generating Facility Capacity or a Material Modification of an existing Generating Facility, or for Provisional Interconnection Service related to an existing Interconnection Request or Interconnection Agreement. For Surplus Interconnection Service, the applicant provides the following information for the Generating Facility that plans to utilize the Surplus Interconnection Service offered at the existing Interconnection Customer's Point of Interconnection.
  - 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. Interconnection Customer's tax identification number;
  - g. Approximate location of the proposed Point of Interconnection (optional);
  - h. Interconnection Customer Data (set forth in Attachment A);
  - i. Primary frequency response operating range for electric storage resources; and
  - j. Requested capacity (in MW) of Interconnection Service (if lower than the Generating Facility Capacity).
6. Applicable deposit amount as specified in the LGIP.
7. 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
8. This Interconnection Request shall be submitted to the representative indicated below:

[To be completed by Transmission Provider]

9. Representative of Interconnection Customer to contact:

[To be completed by Interconnection Customer]

10. This Interconnection Request is submitted by:

Name of Interconnection Customer: \_\_\_\_\_

By (signature): \_\_\_\_\_

Name (type or print): \_\_\_\_\_

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

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

## Attachment A to Appendix 1 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 \_\_\_\_\_

Primary frequency response operating range for electric storage resources:

Minimum State of Charge: \_\_\_\_\_

Maximum State of Charge: \_\_\_\_\_

### COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H = \_\_\_\_\_ kW sec/kVA

Moment-of-Inertia,  $WR^2$  = \_\_\_\_\_ lb. ft.<sup>2</sup>

### 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	$R_1$	_____
Negative	$R_2$	_____
Zero	$R_0$	_____

Rotor Short Time Thermal Capacity  $I_2^2 t =$  \_\_\_\_\_  
 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/Tertiary)  
\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ kV

Winding Connections (Low V/High V/Tertiary V (Delta or Wye))  
\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

Fixed Taps Available \_\_\_\_\_

Present Tap Setting \_\_\_\_\_

## IMPEDANCE

Positive               $Z_1$  (on self-cooled kVA rating)\_\_\_\_\_ % \_\_\_\_\_ X/R

Zero                   $Z_0$  (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): \_\_\_\_\_
- (\*)  $I_2^2t$  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 Transmission Provider prior to submitting the Interconnection Request to determine if the information designated by (\*) is required.

## SOLAR GENERATORS

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

\_\_\_\_\_

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 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.

## 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 Western Area Power Administration, a Federal Power Marketing Administration organized under the United States Department of Energy ("Transmission Provider "). Interconnection Customer and Transmission 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 Transmission System; and

**WHEREAS**, Interconnection Customer has requested Transmission Provider to perform an Interconnection Feasibility Study to assess the feasibility of interconnecting the proposed Large Generating Facility to the Transmission 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 Transmission Provider's LGIP.
- 2.0 Interconnection Customer elects and Transmission 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. Transmission 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 3.4.4 of the LGIP. If, after the designation

of the Point of Interconnection pursuant to Section 3.4.4 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; and
- preliminary description and non-bonding estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit and power flow issues.

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, Transmission 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 in advance by, or refunded to, Interconnection Customer, as appropriate. Interconnection Customer shall pay amounts in excess of the deposit within fifteen (15) Calendar Days of receipt of invoice.

7.0 Miscellaneous. The Interconnection Feasibility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

8.0 This Agreement incorporates by reference Attachments J and K of the Transmission Provider's Tariff as if they were a part hereof.

**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.

WESTERN AREA POWER ADMINISTRATION

By \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

(INTERCONNECTION CUSTOMER)

(SEAL)

By \_\_\_\_\_

Attest:

Title \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_



**Attachment A to Appendix 2  
Interconnection Feasibility  
Study Agreement**

**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 Transmission 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 the State of \_\_\_\_\_, ("Interconnection Customer,") and Western Area Power Administration, a Federal Power Marketing Administration organized under the United States Department of Energy ("Transmission Provider "). Interconnection Customer and Transmission 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 Transmission System; and

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

**WHEREAS**, Interconnection Customer has requested Transmission Provider to perform an Interconnection System Impact Study to assess the impact of interconnecting the Large Generating Facility to the Transmission 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 Transmission Provider's LGIP.
- 2.0 Interconnection Customer elects and Transmission 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. Transmission 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 circuit breaker 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 and
- description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.

6.0 Interconnection Customer shall provide a deposit of \$50,000 for the performance of the Interconnection System Impact Study. Transmission 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, Transmission 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 in advance by, or refunded to, Interconnection Customer, as appropriate. Interconnection Customer shall pay amounts in excess of the deposit within thirty (30) Calendar Days of receipt of invoice.

7.0 Miscellaneous. The Interconnection System Impact Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions,

to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

- 8.0 This Agreement incorporates by reference Attachments J and K of the Transmission Provider's Tariff as if they were a part hereof.

**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.

WESTERN AREA POWER ADMINISTRATION

By \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

(INTERCONNECTION CUSTOMER)

(SEAL)

By \_\_\_\_\_

Attest:

Title \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

Title \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

**Attachment A To Appendix 3  
Interconnection System Impact  
Study Agreement**

**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 Western Area Power Administration, a Federal Power Marketing Administration organized under the United States Department of Energy ("Transmission Provider "). Interconnection Customer and Transmission 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 Transmission System; and

**WHEREAS**, Transmission 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 Transmission 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 Transmission System.

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.
- 2.0 Interconnection Customer elects and Transmission 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 of (consistent with Attachment A), schedule for required facilities to interconnect the Large Generating Facility to the Transmission 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 and other work, including, but not limited to, environmental review activities and development of an E&P Agreement and the LGIA. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

If Transmission Provider's cost of conducting the Interconnection Facilities Study and other work does not exceed the amount of the deposit, Transmission Provider shall continue to hold the remaining amount on deposit until settlement of the final invoice.

If Transmission Provider's cost of conducting the Interconnection Facilities Study and other work exceeds the amount of the deposit, Transmission Provider shall invoice Interconnection Customer for any such additional costs on a monthly basis. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

- 6.0 Miscellaneous. The Interconnection Facilities Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.
- 7.0 This Agreement incorporates by reference Attachments J and K of the Transmission Provider's Tariff as if they were a part hereof.



**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.

WESTERN AREA POWER ADMINISTRATION

By \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

(INTERCONNECTION CUSTOMER)

(SEAL)

By \_\_\_\_\_

Attest:

Title \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

Title \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

**Attachment A To Appendix 4  
Interconnection Facilities  
Study Agreement**

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

Transmission 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.

Regardless of the amount of such estimates, Interconnection Customer shall be invoiced by Transmission Provider and shall pay all actual costs associated with the equipment, environmental, 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 Transmission System, with such invoicing and payment to be made as set forth in Article 11.5 of the LGIA.

**Attachment B to Appendix 4  
Interconnection Facilities  
Study Agreement**

**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 Transmission 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 Transmission 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 Transmission Provider.

Is the Large Generating Facility in the Transmission Provider's service area?

\_\_\_\_\_ Yes      \_\_\_\_\_ No      Local provider: \_\_\_\_\_

Please provide proposed schedule dates:

Begin Construction      Date: \_\_\_\_\_

Generator step-up transformer  
receives back feed power      Date: \_\_\_\_\_

Generation Testing      Date: \_\_\_\_\_

Commercial Operation      Date: \_\_\_\_\_

## 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 Western Area Power Administration, a Federal Power Marketing Administration organized under the United States Department of Energy ("Transmission Provider"). Interconnection Customer and Transmission 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 Transmission System; and

**WHEREAS**, Interconnection Customer has submitted to Transmission Provider an 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 Transmission 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 Transmission Provider's LGIP.
- 2.0 Interconnection Customer elects and Transmission 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 Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, 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. Transmission 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, Transmission 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 in advance by, or refunded to, Interconnection Customer, as appropriate. Interconnection Customer shall pay amounts in excess of the deposit within (30) Calendar Days of receipt of invoice.

7.0 Miscellaneous. The Optional Interconnection Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

8.0 This Agreement incorporates by reference Attachments J and K of the Transmission Provider's Tariff as if they were a part hereof.

**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.

WESTERN AREA POWER ADMINISTRATION

By \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

(INTERCONNECTION CUSTOMER)

(SEAL)

By \_\_\_\_\_

Attest:

Title \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_



DISCLAIMER: WAPA's Open Access Transmission Tariff (OATT) is filed with the Federal Energy Regulatory Commission (FERC).  
WAPA's filings and associated FERC orders establish the rates, terms and conditions of service. This version is  
prepared for the convenience of WAPA's customers and any conflicts between this document and  
the version filed shall be resolved in favor of the version filed.

**APPENDIX 6 to LGIP**  
**STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT**

[This Appendix 6 reserved for Western's Commission-approved Large Generator  
Interconnection Agreement, as filed with the Commission and posted on Western's OASIS.]

## **APPENDIX 7 to LGIP INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT**

This 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.

### **Special Procedures Applicable to Wind Generators**

The wind plant Interconnection Customer, in completing the Interconnection Request required by Section 3.4 of this LGIP, may provide to the Transmission 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 Transmission Provider to complete the System Impact Study.

DISCLAIMER: WAPA's Open Access Transmission Tariff (OATT) is filed with the Federal Energy Regulatory Commission (FERC).  
WAPA's filings and associated FERC orders establish the rates, terms and conditions of service. This version is  
prepared for the convenience of WAPA's customers and any conflicts between this document and  
the version filed shall be resolved in favor of the version filed. (Contract Number)  
(Interconnection Customer)

## **Appendix 6 to the Standard Large Generator Interconnection Procedures**

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

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## STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

### THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_  
20\_\_, by and between \_\_\_\_\_, a \_\_\_\_\_  
organized and existing under the laws of the State/Commonwealth of \_\_\_\_\_  
("Interconnection Customer" with a Large Generating Facility), and Western Area Power  
Administration, a Federal power marketing administration organized under the United States  
Department of Energy ("Transmission Provider and/or Transmission Owner"). Interconnection  
Customer and Transmission Provider each may be referred to as a "Party" or collectively as the  
"Parties."

### Recitals

**WHEREAS**, Transmission Provider operates the Transmission System; and

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

**WHEREAS**, Interconnection Customer and Transmission Provider have agreed to enter into this  
Agreement for the purpose of interconnecting the Large Generating Facility with the  
Transmission System;

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

When used in this Standard Large Generator Interconnection Agreement, terms with initial  
capitalization that are not defined in Article 1 shall have the meanings specified in the Article in  
which they are used or the Open Access Transmission Tariff (Tariff).

## **Article 1. Definitions**

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

**Affected System** shall mean an electric system other than the Transmission Provider's Transmission 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 Transmission Provider's Transmission 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 Transmission 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 Transmission System to which the Generating Facility is directly interconnected.

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

**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 a unit shall mean the date on which the 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.

**Contingent Facilities** shall mean those unbuilt Interconnection Facilities, and Network Upgrades, and/or planned upgrades not yet in service upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for Re-Studies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing. Contingent Facilities are identified in Appendix A of this Standard Large Generator Interconnection Agreement.

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

**Default** shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

**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 System** shall mean the Transmission 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** shall mean the additions, modifications, and upgrades to the Transmission 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.

**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 Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission 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.

**Energy Resource Interconnection Service** shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

**Engineering & Procurement (E&P) Agreement** shall mean an agreement that authorizes the Transmission 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.

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

**Generating Facility** shall mean Interconnection Customer's or Surplus Interconnection Service Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request or the Surplus Interconnection Service Request, respectively, but

shall not include the Interconnection Customer's or Surplus Interconnection Service Customer's Interconnection Facilities.

**Generating Facility Capacity** shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

**Good Utility Practice** shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric 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, Transmission 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 Transmission Provider's Interconnection Facilities to obtain back feed power.

**Interconnection Customer** shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission 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 Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

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

**Interconnection Facilities Study** shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities 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 Transmission Provider's Transmission 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 Transmission Provider's Transmission 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 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 Transmission Provider's Transmission System.

**Interconnection Service** shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission 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 Transmission 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 Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

**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.

**Joint Operating Committee** shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection 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 Resource** shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

**Network Resource Interconnection Service** shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

**Network Upgrades** shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

**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 Transmission Provider, Transmission 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 Transmission 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 Transmission Provider's Transmission System.

**Provisional Interconnection Service** shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

**Provisional Large Generator Interconnection Agreement** shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

**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 Transmission 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.

**Scoping Meeting** shall mean the meeting between representatives of the Interconnection Customer and Transmission 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 are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission 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. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Calendar Days of its determination.

**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 Transmission 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 Transmission Provider's Tariff.

**Surplus Interconnection Service** shall mean any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the Point of Interconnection would remain the same.

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

**Tariff** shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, and as amended or supplemented from time to time, or any successor tariff.

**Transmission Owner** shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

**Transmission 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 Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

**Transmission Provider's Interconnection Facilities** shall mean all facilities and equipment owned, controlled or operated by the Transmission 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. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

**Transmission System** shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

**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.

**Variable Energy Resource** shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

## **Article 2. Effective Date, Term, and Termination**

**2.1 Effective Date.** This LGIA shall become effective upon execution by the Parties.

**2.2 Term of Agreement.** Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter. Notwithstanding this Article 2.2 or 2.3, the maximum effective period of this LGIA shall be forty (40) years from the Effective Date. Five years prior to termination, Interconnection Customer shall provide written notice of its intention to extend the LGIA. Upon receiving such notice, Transmission Provider shall enter into good faith discussions regarding an extension of the LGIA at Interconnection Customer's request.

## **2.3 Termination Procedures.**

**2.3.1 Written Notice.** This LGIA may be terminated either by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider if the Generating Facility has ceased Commercial Operation for three (3) consecutive years, beginning on the last date of Commercial Operation for the Generating Facility, after giving Interconnection Customer ninety (90) Calendar Days advance written notice.

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

**2.3.3** Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

**2.4 Termination Costs.** If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA:

**2.4.1** With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization



cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

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

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

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

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



**Article 3.** [This Article intentionally left blank.]

**Article 4. Scope of Service**

**4.1 Interconnection Product Options.** Interconnection Customer has selected the following (checked) type of Interconnection Service:

**4.1.1 Energy Resource Interconnection Service.** ☐ (check if selected)

**4.1.1.1 The Product.** Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Appendix A.

**4.1.1.2 Transmission Delivery Service Implications.** Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a

transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

**4.1.2 Network Resource Interconnection Service.** ☐ (check if selected)

**4.1.2.1 The Product.** Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Appendix A to this LGIA.

**4.1.2.2 Transmission Delivery Service Implications.** Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service

under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

**4.2 Provision of Service.** Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith.
- 4.4 No Transmission Delivery Service.** The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.
- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

## **Article 5. Interconnection Facilities Engineering, Procurement, and Construction**

- 5.1 Options.** Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, the Interconnection Customer shall notify Transmission Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

- 5.1.1 Standard Option.** Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety and security practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, Applicable Laws and Regulations, and Good Utility Practice. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

- 5.1.2 Alternate Option.** If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall use Reasonable Efforts to so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.
- 5.1.3 Option to Build.** Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.
- 5.1.4 Negotiated Option.** If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates, the provision of incentives or the procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then, pursuant to Article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the design, procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.
- 5.2 General Conditions Applicable to Option to Build.** If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,
- (1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;
  - (2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;

(5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections, at Interconnection Customer's cost, of the same;

(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider;

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

(11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents in compliance with Transmission Provider's standards that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Transmission Provider; and



(12) If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider the actual costs pursuant to Article 11.5 of this LGIA for Transmission Provider to execute the responsibilities enumerated to Transmission Provider under Article 5.2. Transmission Provider shall invoice Interconnection Customer pursuant to Article 12 of this LGIA.

**5.3** [This Article intentionally left blank.]

**5.4 Power System Stabilizers.** The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

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

**5.5.1** Transmission Provider has completed the Facilities Study pursuant to the Interconnection Facilities Study Agreement;

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

**5.5.3** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

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

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



- 5.6.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;
- 5.6.3** Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.6.4** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7 Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.
- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9 Other Interconnection Options.**
- 5.9.1 Limited Operation.** If any Contingent Facilities or any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of any Contingent Facilities or Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.
- 5.9.2 Provisional Interconnection Service.** Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, Contingent Facilities, or System Protection Facilities, Transmission Provider may execute a Provisional Large Generator Interconnection Agreement with the Interconnection Customer for limited Interconnection Service at the

discretion of Transmission Provider based upon an evaluation that will consider the results of available studies. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, Contingent Facilities, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such Interconnection Facilities, Network Upgrades, Distribution Upgrades, Contingent Facilities, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated on an annual basis and at the Interconnection Customer's expense unless there have been no changes on Transmission Provider's Transmission System since the Interconnection Customer's last completed study. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, Contingent Facilities, and/or System Protection Facilities cost responsibilities.

**5.10 Interconnection Customer's Interconnection Facilities ('ICIF').** Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

**5.10.1 Interconnection Customer's Interconnection Facility Specifications.** Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider, and shall use Reasonable Efforts to comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

**5.10.2 Transmission Provider's Review.** Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as

confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF.

Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

**5.10.3 ICIF Construction.** The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

**5.11 Transmission Provider's Interconnection Facilities Construction.** Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall use Reasonable Efforts to deliver to Interconnection Customer within one hundred twenty (120) Calendar Days after the Commercial Operation Date the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities [include appropriate drawings and relay diagrams].

Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

**5.12 Access Rights.** Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the

Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

- 5.13 Lands of Other Property Owners.** If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with Federal or state law, as applicable, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.
- 5.14 Permits.** Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.
- 5.15 Early Construction of Base Case Facilities.** Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.
- 5.16 Suspension.** Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and

property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

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

**5.17** [This Article intentionally left blank.]

**5.18 Tax Status.** Each Party shall cooperate with the other to maintain the other Party's tax status.

**5.19 Modification.**

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

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall use Reasonable Efforts to provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

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

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

## **Article 6. Testing and Inspection**

**6.1 Pre-Commercial Operation Date Testing and Modifications.** Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

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

**6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

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



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

## **Article 7. Metering**

- 7.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.
- 7.3 Standards.** Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.
- 7.4 Testing of Metering Equipment.** Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment in accordance with Transmission Provider's regional meter testing policies. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than the periods set forth in Transmission Provider's regional meter testing policies. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering,



unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

- 7.5 Metering Data.** At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

## **Article 8. Communications**

- 8.1 Interconnection Customer Obligations.** Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide at its expense standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.
- 8.2 Remote Terminal Unit.** Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

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

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

**8.4 Provision of Data from a Variable Energy Resource.** The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

## **Article 9. Operations**

**9.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

**9.2 Control Area Notification.** At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

**9.3 Transmission Provider Obligations.** Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

**9.4 Interconnection Customer Obligations.**

**9.4.1 General Obligations.** Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

**9.4.2 Generator Balancing Obligation.** Interconnection Customer shall at its own expense be responsible for ensuring that its actual Large Generating Facility output matches the scheduled delivery from the Large Generating Facility to Transmission Provider's Transmission System, consistent with the scheduling requirements of the Transmission Provider's Tariff and any applicable FERC-approved market structure in which the Transmission Provider participates, including ramping into and out of such scheduled delivery, as measured at the Point of Interconnection. To the extent Interconnection Customer's Large Generating Facility output does not match the scheduled delivery from the Large Generating Facility to Transmission Provider's Transmission System, any such disparate amounts shall be subject to Transmission Provider's Energy Imbalance rate and/or any other applicable scheduling incentives set forth under Transmission Provider's Tariff.

**9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

**9.6 Reactive Power and Primary Frequency Response.**

**9.6.1 Power Factor Design Criteria.**

**9.6.1.1 Synchronous Generation.** Interconnection Customer shall design the Large 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 Transmission Provider has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis.

**9.6.1.2 Non-Synchronous Generation.** Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Control Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall apply to newly interconnecting non-synchronous generators that have not yet executed an Interconnection Facilities Study Agreement as of the initial effective date of this Article 9.6.1.2. This requirement shall also apply to existing non-synchronous generators making upgrades that require a new LGIA only where the Transmission Provider's Interconnection System Impact Study shows the need for reactive power as a result of an upgrade. If applicable, this requirement will be memorialized in Appendix C of this LGIA.

**9.6.2 Voltage Schedules.** Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly

discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

**9.6.2.1 Voltage Regulators.** Whenever the Large Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

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

**9.6.4 Primary Frequency Response.** Interconnection Customer shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system



frequency and autonomously adjust the Large Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and  $\pm 0.036$  Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Articles 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

**9.6.4.1 Governor or Equivalent Controls.** Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of  $\pm 0.036$  Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection

Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

**9.6.4.2 Timely and Sustained Response.** Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

**9.6.4.3 Exemptions.** Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Article 9.6.4, but shall be otherwise exempt from the



operating requirements in Articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

**9.6.4.4 Electric Storage Resources.** Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Article 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

## **9.7 Outages and Interruptions.**

## **9.7.1 Outages.**

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

**9.7.1.2 Outage Schedules.** Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

**9.7.1.3 Outage Restoration.** If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective

actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

**9.7.2 Interruption of Service.** If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

- 9.7.2.1** The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;
- 9.7.2.2** Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;
- 9.7.2.3** When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;
- 9.7.2.4** Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;
- 9.7.2.5** The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

**9.7.3 Under-Frequency and Over Frequency Conditions.** The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and

over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

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

- 9.7.4.1 System Protection Facilities.** Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.
- 9.7.4.2** Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.
- 9.7.4.3** Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.
- 9.7.4.4** Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.
- 9.7.4.5** Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.
- 9.7.4.6** Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not

require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

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

**9.7.6 Power Quality.** Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

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

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

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

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

## **Article 10. Maintenance**

- 10.1 Transmission Provider Obligations.** Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.
- 10.2 Interconnection Customer Obligations.** Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.
- 10.3 Coordination.** The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.
- 10.4 Secondary Systems.** Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.



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

## **Article 11. Performance Obligation**

- 11.1 Interconnection Customer Interconnection Facilities.** Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.
- 11.2 Transmission Provider's Interconnection Facilities.** Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.
- 11.4 Transmission Credits.**
- 11.4.1 Repayment of Amounts Advanced for Network Upgrades.** Interconnection Customer shall be entitled to ongoing credits to its transmission charges, the total amount of which will be paid in a timely manner and will equal the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, to be credited to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff or Affected System's Tariff for transmission services with respect to the Large Generating Facility; provided, that Transmission Provider shall net bill or bill credit Interconnection Customer for any amounts to be credited. Any credits shall include interest calculated 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, with such interest to be fixed for



the length of the crediting period at the lower of either (1) Interconnection Customer's interest rate applicable to the Network Upgrades or (2) the Federal interest rate applicable to Transmission Provider's Transmission System at the time the Network Upgrades are placed in service and ownership thereof is transferred to Transmission Provider. With Transmission Provider's approval, Interconnection Customer may assign such crediting rights to any person having an executed net billing or bill crediting agreement with Transmission Provider that is effective throughout the entire term of the assignment.

Notwithstanding the foregoing, Transmission Provider or Affected System Operator will continue to provide credits to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, without any restriction as to the period of time under which such crediting will occur.

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades; provided, that the party making use of the Network Upgrades must first pay to Transmission Provider all amounts to be reimbursed to Interconnection Customer. Such amounts shall be subsequently credited by Transmission Provider to the new party in accordance with Article 11.4 of this LGIA. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

**11.4.2 Special Provisions for Affected Systems.** Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

**11.4.3** Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that 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 transmission credits for transmission service that is not associated with the Large Generating Facility.

## **11.5 Advance Payment.**

- 11.5.1** Interconnection Customer shall be required to pay Transmission Provider for all actual costs incurred by Transmission Provider for the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities or Network Upgrades and shall pay Transmission Provider, in advance, for all work to be conducted, under the terms and conditions set forth in this LGIA. Such advance payments shall be considered estimated costs for project planning, management, design, engineering, land purchase, environmental investigations, procurement, construction, inspection and commissioning activities for which such advance payments are then due. The funds shall be deposited by Interconnection Customer according to the instructions on individual invoices from Transmission Provider, which shall be delivered by Transmission Provider to Interconnection Customer at least ten (10) Business Days prior to the date of such payment being due. Transmission Provider shall not provide any labor, equipment, materials, parts, travel, or incur incidental costs associated with tasks described above, or commence any other work until applicable advance payment(s) is/are received in full.
- 11.5.2** Interconnection Customer shall not be required to make any subsequent payment in the event tasks relating to the prior payment have not been substantially completed.
- 11.5.3** Transmission Provider shall keep detailed records for actual costs incurred. Interconnection Customer shall be entitled, during normal business hours and at its own expense, to review such records and supporting documentation. If, during procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities or Network Upgrades, or upon close-out of any phase of such activities, costs by Transmission Provider are expected to exceed the sum of payments made by Interconnection Customer, Transmission Provider will inform Interconnection Customer of the additional expenses and provide a written revision to the estimate, together with an invoice for the amount due. Interconnection Customer shall then promptly pay Transmission Provider in full and without interest for the billed amount. If, upon completion of the procurement, installation, or construction of a discrete portion of Transmission Provider's Interconnection Facilities or Network Upgrades, costs incurred by Transmission Provider are less than the sum of payment(s) made to Transmission Provider by Interconnection Customer, Transmission Provider shall refund the difference, without interest, as soon as the necessary vouchers may be prepared.
- 11.6 Interconnection Customer Compensation.** If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission

Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

**11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition.** Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

## **Article 12. Invoice**

- 12.1 General.** Transmission Provider shall submit to Interconnection Customer invoices of amounts due in accordance with Articles 11.5.1 and 11.5.2 of this LGIA. Interconnection Customer shall submit to Transmission Provider, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the time period to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest owed by the Interconnection Customer, shall be netted so that only the net amount remaining due shall be paid by the owing Party.
- 12.2 Final Invoice.** Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs in accordance with Article 11.5.3 of this LGIA.
- 12.3 Payment.** Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

**12.4 Disputes.** In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due, with the Interconnection Customer to pay the amount due plus interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

### **Article 13. Emergencies**

**13.1 Definition.** "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission 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 Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

**13.2 Obligations.** Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

**13.3 Notice.** Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

**13.4 Immediate Action.** Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

**13.5 Transmission Provider Authority.**

**13.5.1 General.** Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

**13.5.2 Reduction and Disconnection.** Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission

Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

- 13.6 Interconnection Customer Authority.** Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.
- 13.7 Limited Liability.** Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

#### **Article 14. Regulatory Requirements and Governing Law**

- 14.1 Regulatory Requirements.** Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.
- 14.2 Governing Law.**
- 14.2.1** The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by Federal law or by the laws of the state where the Point of Interconnection is located, as applicable.
- 14.2.2** This LGIA is subject to all Applicable Laws and Regulations.



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

## **Article 15. Notices.**

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

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

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

**15.3 Alternative Forms of Notice.** Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

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

## **Article 16. Force Majeure**

### **16.1 Force Majeure.**

**16.1.1** Economic hardship is not considered a Force Majeure event.

**16.1.2** Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The



Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

## **Article 17. Default**

### **17.1 Default**

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

**17.1.2 Right to Terminate.** If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA 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 LGIA, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA.

## **Article 18. Indemnity, Consequential Damages and Insurance**

**18.1 Indemnity.** Interconnection Customer shall at all times indemnify, defend, and hold Transmission Provider 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 Transmission Provider's action or inactions of its obligations under this LGIA on behalf of Interconnection Customer, except in cases of gross negligence or intentional wrongdoing by Transmission Provider. The liability of Transmission Provider shall be determined in accordance with the Federal Tort Claims Act provision set forth in Attachment J of Transmission Provider's Tariff.

**18.1.1 Indemnified Person.** If an indemnified person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and Interconnection

Customer fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such indemnified person may at the expense of Interconnection Customer contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

**18.1.2 Indemnifying Party.** If Interconnection Customer is obligated to indemnify and hold any indemnified person harmless under this Article 18, the amount owing to the indemnified person shall be the amount of such indemnified person's actual Loss, net of any other recovery.

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

Interconnection Customer shall have the right to assume the defense thereof with counsel designated by such Interconnection Customer and reasonably satisfactory to the indemnified person. If the defendants in any such action include one or more indemnified persons and Interconnection Customer, and if the indemnified person reasonably concludes that there may be legal defenses available to it and/or other indemnified persons which are different from or additional to those available to Interconnection Customer, the indemnified person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, Interconnection Customer shall only be required to pay the fees and expenses of one additional attorney to represent an indemnified person or indemnified persons having such differing or additional legal defenses.

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

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

**18.3 Interconnection Customer Insurance.** Interconnection customer shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by Transmission Provider, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

- 18.3.1** Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.
- 18.3.2** Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.
- 18.3.3** Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.
- 18.3.4** Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.
- 18.3.5** The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name Transmission Provider and its respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in

accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

- 18.3.6** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Interconnection Customer shall be responsible for its respective deductibles or retentions.
- 18.3.7** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 18.3.8** The requirements contained herein as to the types and limits of all insurance to be maintained by Interconnection Customer are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by Interconnection Customer under this LGIA.
- 18.3.9** Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, Interconnection Customer shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** Notwithstanding the foregoing, Interconnection Customer may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, Interconnection Customer's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that Interconnection Customer's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, Interconnection Customer shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that Interconnection Customer is permitted to self-insure pursuant to this article, it shall notify Transmission Provider that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

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

**18.4 Transmission Provider Insurance.** Transmission Provider shall self-provide the insurance coverages described under Article 18.3 of this LGIA.

## **Article 19. Assignment**

**19.1 Assignment.** Either party may assign this LGIA with the written consent of the other party to any Affiliate of the assigning Party or other third party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning party under this LGIA. Interconnection Customer may assign this LGIA with the written consent of Transmission Provider for collateral security purposes to aid in providing financing for the Large Generating Facility. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Consent to assignment will not be unreasonably withheld, conditioned or delayed.

## **Article 20. Severability**

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

## **Article 21. Comparability**

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

## **Article 22. Confidentiality**

**22.1 Confidentiality.** Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this 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 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

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

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

**22.1.3 Release of Confidential Information.** Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection



with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

- 22.1.4 Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 22.1.5 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.
- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.
- 22.1.8 Termination of Agreement.** Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.



- 22.1.9 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.
- 22.1.10 Disclosure to FERC or its Staff .** Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112.
- 22.1.11** Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("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 LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any

request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

## **Article 23. Environmental Releases**

- 23.1** Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.
- 23.2** Each Party shall remedy as soon as practicable all releases of Hazardous Substances brought to, or created at, real property it owns underlying the Large Generating Facility or Interconnection Facilities, and any such substances migrating from real property it owns at the Large Generating Facility site. The Party that caused the release shall bear the costs of the remedial action, which shall meet applicable Federal and state environmental standards at the time of the action. Such costs may include, but are not limited to, Federal and state supervision, remedial action plans, removal and remedial actions, and negotiation of voluntary and judicial agreements required to meet such environmental standards.
- 23.3** The Parties agree to comply fully with the substantive requirements of all applicable Federal, state and local environmental laws in the performance of their obligations hereunder, and to mitigate and abate adverse environmental impacts accordingly.

## **Article 24. Information Requirements**

- 24.1 Information Acquisition.** Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.
- 24.2 Information Submission by Transmission Provider.** Transmission Provider shall use Reasonable Efforts to submit to Interconnection Customer no later than one hundred eighty (180) Calendar Days prior to Trial Operation the information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and

Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

**24.3 Updated Information Submission by Interconnection Customer.** The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

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

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

Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall use Reasonable Efforts to provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

## **Article 25. Information Access and Audit Rights**

- 25.1 Information Access.** Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.
- 25.2 Reporting of Non-Force Majeure Events.** Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.
- 25.3 Audit Rights.** Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

## **25.4 Audit Rights Periods.**

**25.4.1 Audit Rights Period for Construction-Related Accounts and Records.**

Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

**25.4.2 Audit Rights Period for All Other Accounts and Records.** Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

**25.5 Audit Results.** If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

**Article 26. Subcontractors**

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

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

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

**Article 27. Disputes**

- 27.1 Submission.** In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.
- 27.2 External Arbitration Procedures.** Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.
- 27.3 Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be non-binding upon the Parties. 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.
- 27.4 Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

## **Article 28. Representations, Warranties, and Covenants**



**28.1 General.** Each Party makes the following representations, warranties and covenants:

- 28.1.1 Good Standing.** Such Party is duly organized, validly existing and in good standing under Federal law or the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business under Federal law or the laws of the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.
- 28.1.2 Authority.** Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).
- 28.1.3 No Conflict.** The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.
- 28.1.4 Consent and Approval.** Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

**Article 29. Joint Operating Committee**

- 29.1 Joint Operating Committee.** Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once



each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

- 29.1.1** Establish data requirements and operating record requirements.
- 29.1.2** Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.
- 29.1.3** Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.
- 29.1.4** Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.
- 29.1.5** Ensure that information is being provided by each Party regarding equipment availability.
- 29.1.6** Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

## **Article 30. Miscellaneous**

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

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

**30.4 Entire Agreement.** This LGIA, including all Appendices and Schedules attached hereto, and also incorporating through reference Attachments J and K of Transmission Provider's Tariff as if they were a part hereof, 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 LGIA. 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 LGIA.

**30.5 No Third Party Beneficiaries.** This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

**30.6 Waiver.** The failure of a Party to this LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

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

**30.7 Headings.** The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

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

**30.9 Amendment.** The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

**30.10 Modification by the Parties.** The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

**30.11** [This Article intentionally left blank.]

**30.12 No Partnership.** This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

**IN WITNESS WHEREOF**, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

WESTERN AREA POWER ADMINISTRATION

By \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

(INTERCONNECTION CUSTOMER)

(SEAL)

By \_\_\_\_\_

Attest:

Title \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

## **Appendix A to LGIA**

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

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

**1.1 [insert Interconnection Customer's Interconnection Facilities]:**

**1.2 [insert Transmission Provider's Interconnection Facilities]:**

#### **2. Network Upgrades:**

**2.1 [insert Stand Alone Network Upgrades]:**

**2.2 [insert Other Network Upgrades]:**

#### **3. Distribution Upgrades:**

#### **4. Contingent Facilities:**

#### **5. Point of Change of Ownership:**

#### **6. Point of Interconnection:**

#### **7. Upgrade Requirements on Affected System(s): [To be deleted if not applicable]**

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WAPA's filings and associated FERC orders establish the rates, terms and conditions of service. This version is  
prepared for the convenience of WAPA's customers and any conflicts between this document and  
the version filed shall be resolved in favor of the version filed. (Contract Number)  
(Interconnection Customer)

## **Appendix B to LGIA**

### **Milestones**

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(Interconnection Customer)

## **Appendix C to LGIA**

### **Interconnection Details**



## **Appendix D to LGIA**

### **Security Arrangements Details**

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the National Infrastructure Advisory Council or its successor and, eventually, with best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

## **Appendix E to LGIA**

### **Commercial Operation Date**

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

**[Date]**

**[Transmission Provider Address]**

Re: \_\_\_\_\_ Large Generating Facility

Dear \_\_\_\_\_:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. \_\_\_\_.  
This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit  
No. \_\_\_\_ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

**[Signature]**

**[Interconnection Customer Representative]**

## **Appendix F to LGIA**

### **Addresses for Delivery of Notices and Billings**

#### **Notices:**

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

#### **Billings and Payments:**

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

#### **Alternative Forms of Delivery of Notices (telephone, facsimile or email):**

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

## **Appendix G to LGIA Interconnection Requirements For A Wind Generating Plant**

This Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

### **A. Technical Standards Applicable to a Wind Generating Plant**

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

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

#### **Transition Period LVRT Standard**

The transition period standard applies to wind generating plants subject to FERC Order 661 that have wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the Transmission Provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

### **Post-transition Period LVRT Standard**

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the Transmission Provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

#### **ii. Power Factor Design Criteria (Reactive Power)**

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has executed an Interconnection Facilities Study Agreement as of the initial effective date of Article 9.6.1.2 of this LGIA. A wind generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Transmission Provider's Interconnection System Impact Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Interconnection System Impact Study shows this to be required for system safety or reliability.

#### **iii. Supervisory Control and Data Acquisition (SCADA) Capability**

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

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prepared for the convenience of WAPA's customers and any conflicts between this document and  
the version filed shall be resolved in favor of the version filed.

## **ATTACHMENT M**

### **SMALL GENERATOR INTERCONNECTION PROCEDURES (SGIP)**

**(For Generating Facilities No Larger Than 20 MW)**



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## **Section 1. Application**

### **1.1 Applicability**

- 1.1.1 A request to interconnect a Small Generating Facility shall be evaluated under the Section 3 Study Process. If the Interconnection Customer wishes to interconnect its Small Generating Facility using Network Resource Interconnection Service, it must do so under the Standard Large Generator Interconnection Procedures and execute the Standard Large Generator Interconnection Agreement.
- 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 Prior to submitting its Interconnection Request (Attachment 2), the Interconnection Customer may ask the Transmission Provider's interconnection contact employee or office whether the proposed interconnection is subject to these procedures. The Transmission Provider shall use Reasonable Efforts to respond within 15 Business Days.
- 1.1.4 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 with electric systems to comply with the recommendations offered by the National Infrastructure Advisory Council or its successor, and with 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.
- 1.1.5 References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

### **1.2 Pre-Application**

- 1.2.1 The Transmission 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 Transmission 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 Transmission Provider's Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The Transmission 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 for a pre-application report on a proposed project at a specific site. The Transmission Provider shall provide the pre-application data described in Section 1.2.3 to the Interconnection Customer within 20 Business Days of receipt of the completed request form and payment of the \$300 fee. The pre-application report produced by the Transmission Provider is non-binding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the Transmission 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 Transmission Provider will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by the Transmission 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.
- 1.2.3.6 Nominal distribution circuit voltage at the proposed Point of Interconnection.
- 1.2.3.7 Approximate circuit distance between the proposed Point of Interconnection and the substation.
- 1.2.3.8 Relevant line section(s) actual or estimated peak load and minimum load data, including daytime minimum load and absolute minimum load, when available. Solar photovoltaic 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.
- 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 Transmission Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the Transmission Provider cannot complete all or some of a pre-application report due to lack of available data, the Transmission 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 Transmission 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

The Interconnection Customer shall submit its Interconnection Request to the Transmission Provider, together with the 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 Transmission Provider shall use Reasonable Efforts to notify the Interconnection Customer of receipt of the Interconnection Request within three Business Days of receipt. The Transmission Provider shall use Reasonable Efforts to 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 Transmission 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 Transmission 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 Transmission 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

The Transmission 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 Transmission Provider shall maintain a single queue per geographic region. At the Transmission Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.

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.

**Section 2.** [This section intentionally left blank.]

**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 Transmission Provider's Transmission System.

**3.2 Scoping Meeting**

3.2.1 The Transmission Provider shall use Reasonable Efforts to hold a scoping meeting with the Interconnection Customer within ten Business Days after the Interconnection Request is deemed complete, or as otherwise mutually agreed to by the Parties. The Transmission 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 Transmission 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 Transmission Provider shall use Reasonable Efforts to provide a feasibility study agreement (Attachment 3) to the Interconnection Customer within five Business Days after the scoping meeting, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

3.2.3 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 Transmission Provider shall use Reasonable Efforts to provide a system impact study agreement (Attachment 4) to the Interconnection Customer within five Business Days after the scoping meeting, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

**3.3 Environmental Review Agreement**

Unless otherwise agreed, Transmission Provider shall use Reasonable Efforts to tender, within 15 Calendar Days of providing an Interconnection System Impact Study report to Interconnection Customer, an environmental review agreement authorizing Transmission Provider, at Interconnection Customer's expense, to perform environmental review of the proposed interconnection, including review under the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321, et seq., as amended, and setting forth Interconnection Customer's responsibilities in connection with such environmental review.



Interconnection Customer shall execute the environmental review agreement and return it, along with the required funds set forth in the agreement, to the Transmission Provider within 30 Calendar Days of receipt of the final version offered for execution. If an executed environmental review agreement and the required funds are not provided in the manner set forth above, the Interconnection Request shall be deemed withdrawn. An Interconnection Customer shall have no right to cure the failure to deliver the executed environmental review agreement or the required funds in the timeframe identified above. If the costs incurred by Transmission Provider are less than the deposit submitted by Interconnection Customer, Transmission Provider shall refund the difference, without interest, as soon as the necessary vouchers may be prepared. In addition, if at any time prior to the issuance of Transmission Providers final NEPA decisional document the Interconnection Customer fails to comply with the terms of the environmental review agreement, Transmission Provider reserves the right to deem the Interconnection Request withdrawn.

### 3.4 Feasibility Study

- 3.4.1 The feasibility study shall identify any potential adverse system impacts that would result from the interconnection of the Small Generating Facility.
- 3.4.2 A deposit of the good faith estimated feasibility study costs shall be required from the Interconnection Customer prior to the initiation of the study work.
- 3.4.3 The scope of and cost responsibilities for the feasibility study are described in the attached feasibility study agreement (Attachment 3).
- 3.4.4 If the feasibility study shows no potential for adverse system impacts, the Transmission 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 Transmission Provider shall decide whether to send the Interconnection Customer an executable interconnection agreement in accordance with Section 3.5.7 of these procedures.
- 3.4.5 If the feasibility study shows the potential for adverse system impacts, the review process shall proceed to the appropriate system impact study(s).

### 3.5 System Impact Study

- 3.5.1 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.

- 3.5.2 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 Transmission Provider shall use Reasonable Efforts to 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.
- 3.5.3 In instances where the feasibility study or the distribution system impact study shows potential for transmission system adverse system impacts, the Transmission Provider shall use Reasonable Efforts to send the Interconnection Customer a transmission system impact study agreement within five Business Days following 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, if such a study is required.
- 3.5.4 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 Transmission Provider shall send the Interconnection Customer a distribution system impact study agreement.
- 3.5.5 If the feasibility study shows no potential for transmission system or Distribution System adverse system impacts, the Transmission Provider shall send the Interconnection Customer either a facilities study agreement (Attachment 5), including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or shall decide whether to send the Interconnection Customer an executable interconnection agreement in accordance with Section 3.5.7 of these procedures, as applicable.
- 3.5.6 In order to remain under consideration for interconnection, the Interconnection Customer must return executed system impact study agreements, if applicable, within 30 Business Days.
- 3.5.7 A deposit of the good faith estimated costs for each system impact study shall be required from the Interconnection Customer prior to the initiation of the study work.
- 3.5.8 The scope of and cost responsibilities for a system impact study are described in the attached system impact study agreement (Attachment 4).
- 3.5.9 Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission-dependent utilities ("TDUs") – whether investor-

owned or not – the Interconnection Customer may apply to the nearest transmission provider (Transmission Owner, Regional Transmission Operator, or Independent Transmission Provider) providing transmission service to the TDU to request project coordination. Affected Systems shall participate in the study and provide all information necessary to prepare the study.

### 3.6 Facilities Study

- 3.6.1 Once the required system impact study(s) is completed, the Transmission Provider shall use Reasonable Efforts to prepare and transmit within five Business Days a system impact study report to the Interconnection Customer along with 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 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.
- 3.6.2 In order to remain under consideration for interconnection, or, as appropriate, in the Transmission 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.
- 3.6.3 The facilities study shall specify and provide a non-binding good faith estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).
- 3.6.4 Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. The Transmission Provider may contract with consultants to perform activities required under the facilities study agreement. The Interconnection Customer and the Transmission 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 Transmission 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 Transmission 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.
- 3.6.5 A deposit of the good faith estimated costs for the facilities study shall be required from the Interconnection Customer prior to the initiation of study work.

- 3.6.6 The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement (Attachment 5).
- 3.6.7 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 Transmission Provider shall decide whether to send the Interconnection Customer an executable interconnection agreement after completing an environmental analysis under the National Environmental Policy Act of 1969, 42 U.S.C. § 4321, et seq., as amended, concerning the interconnection of the Small Generating Facility; provided, that the Transmission Provider's decision shall not be subject to dispute resolution. If the Transmission Provider decides to send the Interconnection Customer an executable interconnection agreement, the Transmission Provider shall use Reasonable Efforts to send such agreement within five Business Days after rendering its decision.

#### **Section 4. Provisions that Apply to All Interconnection Requests**

##### **4.1 Reasonable Efforts**

The Transmission Provider shall make Reasonable Efforts to meet all time frames provided in these procedures unless the Transmission Provider and the Interconnection Customer agree to a different schedule. If the Transmission 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 section. The failure to submit an agreement and/or required funds in accordance with a deadline cannot be cured by the Interconnection Customer providing the agreement and/or required funds to the Transmission Provider after a required deadline.
- 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 the Interconnection Customer will be responsible for all costs to be 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 these procedures.
- 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 the Transmission 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 Transmission 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 these procedures 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 these procedures. 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 these procedures, 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 section 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 these procedures, 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 prior to the release of the Confidential Information to FERC. The Party shall notify the other Party 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.

4.6 Comparability

The Transmission Provider shall receive, process, and analyze all Interconnection Requests in a timely manner as set forth in this document. The Transmission 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 Transmission Provider, its subsidiaries or affiliates, or others.

4.7 Record Retention

The Transmission 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

If the Transmission Provider decides to offer the Interconnection Customer an executable interconnection agreement in accordance with Section 3.5.7 of these procedures, the Interconnection Customer shall have 30 Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement. If the Interconnection Customer does not sign the interconnection agreement, 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 Transmission 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 Transmission 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 Transmission 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 the Transmission 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 capacity that the Small Generating Facility is capable of injecting into the Transmission Provider's electric system. However, if the maximum capacity that the Small Generating Facility is capable of injecting into the Transmission 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 Transmission 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 Transmission Provider's system. If the Transmission Provider does not so agree, then the Interconnection Request must be withdrawn or revised to specify the maximum capacity that the Small Generating Facility is capable of injecting into the Transmission Provider's electric system without such limitations. Furthermore, nothing in this section shall prevent a Transmission Provider from considering an output higher than the limited output, if appropriate, when evaluating system protection impacts.



## Attachment 1

### Glossary of Terms

**Affected System** – An electric system other than the Transmission Provider's Transmission 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.

**Confidential Information** – 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.

**Distribution System** – The Transmission 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 Transmission 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.

**FERC** – The Federal Energy Regulatory Commission or its successor.

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

**Governmental Authority** – Any Federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided,

however, that such term does not include Interconnection Customer, Transmission Provider, or any affiliate thereof.

**Interconnection Customer** – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

**Interconnection Facilities** – The Transmission 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 Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

**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 Transmission Provider's Transmission System.

**Interconnection Service** – The service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Small Generating Facility to the Transmission Provider's Transmission 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 Small Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

**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 Resource** – Any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

**Network Resource Interconnection Service** – An Interconnection Service that allows the Interconnection Customer to integrate its Small Generating Facility with the Transmission Provider's System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

**Network Upgrades** – Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the

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

**Notice of Dispute** – A written notice of a dispute or claim that arises out of or in connection with the Standard Small Generator Interconnection Agreement or its performance.

**Party or Parties** – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

**Point of Interconnection** – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission 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 Transmission Provider.

**Reasonable Efforts** – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Procedures, 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 and/or storage for later injection of electricity identified in the Interconnection Request. The Small Generating Facility shall be no larger than 20 MW, and 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.

**Tariff** – The Transmission Provider or Affected System's Tariff through which open access transmission service and interconnection service are offered, as amended or supplemented from time to time, or any successor tariff.

**Transmission Owner** – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

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

**Transmission System** – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

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

**Attachment 2**

**SMALL GENERATOR INTERCONNECTION REQUEST  
(Application Form)**

**Transmission 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. Per SGIP Section 1.5, documentation of site control must be submitted with the Interconnection Request.

**Preamble and Instructions**

An Interconnection Customer who requests a Small Generation Facility interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the Transmission Provider.

**Deposit:**

The Interconnection Customer shall submit to the Transmission Provider a deposit of \$5,000 towards the costs of the scoping meeting and the feasibility study.

## Interconnection Customer Information

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

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

Tax Identification Number: \_\_\_\_\_

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: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone (Day): \_\_\_\_\_ Telephone (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

Application is for: \_\_\_\_\_ New Small Generating Facility  
\_\_\_\_\_ Capacity addition to Existing Small Generating Facility

If capacity addition to existing facility, please describe: \_\_\_\_\_

\_\_\_\_\_

Will the Small Generating Facility be used for any of the following?

Net Metering? Yes \_\_\_\_ No \_\_\_\_

To Supply Power to the Interconnection Customer? Yes \_\_\_\_ No \_\_\_\_

To Supply Power to Others? Yes \_\_\_\_ No \_\_\_\_

For installations at locations with existing electric service to which the proposed Small  
Generating Facility will interconnect, provide:

\_\_\_\_\_  
(Local Electric Service Provider\*)

\_\_\_\_\_  
(Existing Account Number\*)

[\*To be provided by the Interconnection Customer if the local electric service provider is  
different from the Transmission Provider]

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

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

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone (Day): \_\_\_\_\_ Telephone (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

Requested Point of Interconnection: \_\_\_\_\_

Interconnection Customer's Requested In-Service Date: \_\_\_\_\_

### **Small Generating Facility Information**

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: \_\_\_ Solar \_\_\_ Wind \_\_\_ Hydro \_\_\_\_\_ Hydro Type (e.g. Run-of-River)  
\_\_\_ Diesel \_\_\_ Natural Gas \_\_\_ Fuel Oil \_\_\_\_\_ Other (state type)

Prime Mover: \_\_\_ Fuel Cell \_\_\_ Recip Engine \_\_\_ Gas Turb \_\_\_ Steam Turb  
\_\_\_ Microturbine \_\_\_ PV \_\_\_ Other

Type of Generator: \_\_\_ Synchronous \_\_\_ Induction \_\_\_ Inverter

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



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: \_\_\_\_\_

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:  
\_\_\_\_\_

Primary frequency response operating range for electric storage resources:

Minimum State of Charge: \_\_\_\_\_ Maximum State of Charge: \_\_\_\_\_

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? \_\_\_

Harmonics Characteristics: \_\_\_\_\_

Start-up requirements: \_\_\_\_\_

Small Generating Facility Characteristic Data (for rotating machines)

RPM Frequency: \_\_\_\_\_

(\*) Neutral Grounding Resistor (If Applicable): \_\_\_\_\_

Synchronous Generators:

Direct Axis Synchronous Reactance,  $X_d$ : \_\_\_\_\_ P.U.

Direct Axis Transient Reactance,  $X'_d$ : \_\_\_\_\_ P.U.

Direct Axis Subtransient Reactance,  $X''_d$ : \_\_\_\_\_ P.U.

Negative Sequence Reactance,  $X_2$ : \_\_\_\_\_ P.U.

Zero Sequence Reactance,  $X_0$ : \_\_\_\_\_ P.U.

KVA Base: \_\_\_\_\_

Field Volts: \_\_\_\_\_

Field Amperes: \_\_\_\_\_

Induction Generators:

Motoring Power (kW): \_\_\_\_\_  
 $I^2t$  or K (Heating Time Constant): \_\_\_\_\_  
Rotor Resistance,  $R_r$ : \_\_\_\_\_  
Stator Resistance,  $R_s$ : \_\_\_\_\_  
Stator Reactance,  $X_s$ : \_\_\_\_\_  
Rotor Reactance,  $X_r$ : \_\_\_\_\_  
Magnetizing Reactance,  $X_m$ : \_\_\_\_\_  
Short Circuit Reactance,  $X_d''$ : \_\_\_\_\_  
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 Transmission 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 Data (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 Manufacturer's 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 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: \_\_\_\_\_

**Attachment 3**

**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 Western  
Area Power Administration, a Federal Power Marketing Administration organized under the  
United States Department of Energy ("Transmission Provider"). The Interconnection Customer  
and the Transmission 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 Transmission Provider's Transmission System; and

**WHEREAS**, the Interconnection Customer has requested the Transmission Provider to perform  
a feasibility study to assess the feasibility of interconnecting the proposed Small Generating  
Facility with the Transmission Provider's Transmission 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 Transmission Provider shall cause to be performed, an interconnection feasibility study consistent with the standard Small Generator Interconnection Procedures in accordance with the Transmission Provider's 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 Transmission 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 In performing the feasibility study, the Transmission 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-binding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address any 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 good faith estimated feasibility study costs shall be required from the Interconnection Customer prior to the initiation of study work.
- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. The Transmission Provider shall use Reasonable Efforts to complete the feasibility study and transmit the feasibility study report to the Interconnection Customer 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 Transmission Provider's actual costs and will be invoiced to the Interconnection Customer along with a summary of professional time.
- 12.0 The Interconnection Customer must pay in advance any study costs that exceed the deposit without interest within 15 calendar days on receipt of the invoice or resolution of any dispute. The Transmission Provider shall not be obligated to perform or continue to perform any studies unless the Interconnection Customer has paid all undisputed amounts in compliance herewith. If the deposit exceeds the invoiced fees, the Transmission Provider shall use Reasonable Efforts to refund such excess within 30 calendar days of the invoice without 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 Federal law or the laws of the state where the Point of Interconnection is located, as applicable. 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 the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission 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; provided further, that the Transmission Provider shall be liable to the Interconnection Customer for the performance of the Transmission Provider's subcontractors only in accordance with the Federal Tort Claims Act provision set forth in Attachment J of the Transmission Provider's Tariff.

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 Transmission 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.

(Contract Number)  
(Interconnection Customer)

**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.

WESTERN AREA POWER ADMINISTRATION

By \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

(INTERCONNECTION CUSTOMER)

(SEAL)

By \_\_\_\_\_

Attest:

Title \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

Title \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

**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 Transmission Provider.

**Attachment 4**

**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  
Western Area Power Administration, a Federal Power Marketing Administration organized  
under the United States Department of Energy ("Transmission Provider"). The Interconnection  
Customer and the Transmission 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 Transmission Provider's Transmission System; and

**WHEREAS**, the Transmission 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.]; and

**WHEREAS**, the Interconnection Customer has requested the Transmission Provider to perform  
a system impact study(s) to assess the impact of interconnecting the Small Generating Facility  
with the Transmission Provider's Transmission 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 Transmission Provider shall cause to be  
performed a system impact study(s) consistent with the standard Small Generator  
Interconnection Procedures in accordance with the Transmission Provider's 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 (if one has been completed) and the technical information provided by the Interconnection Customer in the Interconnection Request. The Transmission 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 Transmission Provider shall use Reasonable Efforts to complete within 20 additional Business Days a system impact study requiring review by Affected Systems.
- 8.0 If the Transmission 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 Transmission 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 Transmission Provider's electric system.

- 9.0 If required to complete a distribution system impact study, the Transmission Provider shall use Reasonable Efforts to complete the study and transmit the results to the Interconnection Customer within 30 Business Days after this Agreement is signed by the Parties. If required to complete a transmission system impact study, the Transmission Provider shall use Reasonable Efforts to complete the study and transmit the results to the Interconnection Customer within 45 Business Days after this Agreement is signed by the Parties, or in accordance with the Transmission 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 good faith estimated cost of a transmission system impact study shall be required from the Interconnection Customer prior to the initiation of study work.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer along with a summary of professional time.
- 12.0 The Interconnection Customer must pay in advance any study costs that exceed the deposit without interest within 15 calendar days on receipt of the invoice or resolution of any dispute. The Transmission Provider shall not be obligated to perform or continue to perform any studies unless the Interconnection Customer has paid all undisputed amounts in compliance herewith. If the deposit exceeds the invoiced fees, the Transmission Provider shall use Reasonable Efforts to refund such excess within 30 calendar days of the invoice without 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 Federal law or the laws of the state where the Point of Interconnection is located, as applicable. 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 the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission 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; provided further, that the Transmission Provider shall be liable to the Interconnection Customer for the performance of the Transmission Provider's subcontractors only in accordance with the Federal Tort Claims Act provision set forth in Attachment J of the Transmission Provider's Tariff.
- 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 Transmission 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

(Contract Number)  
(Interconnection Customer)

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.

**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.

WESTERN AREA POWER ADMINISTRATION

By \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

(INTERCONNECTION CUSTOMER)

(SEAL)

By \_\_\_\_\_

Attest:

Title \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

## **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.

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 Transmission Provider.

**Attachment 5**

**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 Western  
Area Power Administration, a Federal Power Marketing Administration organized under the  
United States Department of Energy ("Transmission Provider"). The Interconnection Customer  
and the Transmission 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 Transmission Provider's Transmission System; and

**WHEREAS**, the Transmission 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 Transmission 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 Transmission Provider's Transmission System.

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have  
the meanings indicated or the meanings specified in the standard Small Generator  
Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be  
performed a facilities study consistent with the standard Small Generator Interconnection  
Procedures to be performed in accordance with the Transmission Provider's 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 provide a non-binding good faith estimate of 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 Transmission 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 Transmission 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 shall be required from the Interconnection Customer prior to the initiation of study work.
- 7.0 In cases where Upgrades are required, the Transmission Provider shall use Reasonable Efforts to complete the facilities study 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 Transmission Provider shall use Reasonable Efforts to complete the facilities study within 30 Business Days.
- 8.0 Once the facilities study is completed, a draft facilities study report shall be prepared and transmitted to the Interconnection Customer. The Transmission Provider shall use Reasonable Efforts to complete the facilities study and transmit the draft facilities study report to the Interconnection Customer within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.
- 9.0 Interconnection Customer may, within 30 Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within 15 Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Transmission 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 4.5 of the standard Small Generator Interconnection Procedures.
- 10.0 Within ten Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Transmission 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 Transmission Provider's actual costs and will be invoiced to the Interconnection Customer along with a summary of professional time.
- 12.0 The Interconnection Customer must pay in advance any study costs that exceed the deposit without interest within 15 calendar days on receipt of the invoice or resolution of any dispute. The Transmission Provider shall not be obligated to perform or continue to perform any studies unless the Interconnection Customer has paid all undisputed invoiced fees in compliance herewith. If the deposit exceeds the invoiced fees, the Transmission Provider shall use Reasonable Efforts to refund such excess within 30 calendar days of the invoice without 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 Federal law or the laws of the state where the Point of Interconnection is located, as applicable. 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 the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission 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; provided further, that the Transmission Provider shall be liable to the Interconnection Customer for the performance of the Transmission Provider's subcontractors only in accordance with the Federal Tort Claims Act provision set forth in Attachment J of the Transmission Provider's Tariff.

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 Transmission 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.



(Contract Number)  
(Interconnection Customer)

**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.

WESTERN AREA POWER ADMINISTRATION

By \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

(INTERCONNECTION CUSTOMER)

(SEAL)

By \_\_\_\_\_

Attest:

Title \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

Title \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

**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, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

One set of metering is required for each generation connection to the new ring bus or existing Transmission 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 or PLC use?

---

---

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

Physical dimensions of the proposed interconnection station:

---

Bus length from generation to interconnection station:

---

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

---

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

---

Number of third party easements required for transmission lines\*:

---

\* To be completed in coordination with Transmission Provider.

Is the Small Generating Facility located in Transmission Provider's service area?

Yes \_\_\_\_\_ No \_\_\_\_\_ If No, please provide name of local provider:

---

Please provide the following proposed schedule dates:

Begin Construction Date: \_\_\_\_\_

Generator step-up transformers  
receive back feed power Date: \_\_\_\_\_

Generation Testing Date: \_\_\_\_\_

Commercial Operation Date: \_\_\_\_\_

DISCLAIMER: WAPA's Open Access Transmission Tariff (OATT) is filed with the Federal Energy Regulatory Commission (FERC).  
WAPA's filings and associated FERC orders establish the rates, terms and conditions of service. This version is  
prepared for the convenience of WAPA's customers and any conflicts between this document and  
the version filed shall be resolved in favor of the version filed. (Contract Number)  
(Interconnection Customer)

**SMALL GENERATOR  
INTERCONNECTION AGREEMENT (SGIA)**

**(For Generating Facilities No Larger Than 20 MW)**

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- Attachment 6 – Transmission Provider's Description of its Upgrades and Best Estimate of Upgrade Costs



(Contract Number)  
(Interconnection Customer)

This Interconnection Agreement ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by Western Area Power Administration, a Federal power marketing administration organized under the United States Department of Energy ("Transmission Provider"), and \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State/Commonwealth of \_\_\_\_\_ ("Interconnection Customer"), each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

### Transmission Provider Information

Transmission Provider: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

### Interconnection Customer Information

Interconnection Customer: \_\_\_\_\_  
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).
- 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 Transmission Provider's Transmission System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Transmission Provider.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between the Transmission 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, and in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 The Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities 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 Transmission Provider and any Affected Systems.
  - 1.5.4.1 The Interconnection Customer shall submit initial specifications for its Interconnection Facilities, including system protection facilities, to the Transmission Provider at least 180 calendar days prior to the initial synchronization date, and shall also submit final specifications for review and comment at least 90 calendar days prior to the initial synchronization date. The Transmission Provider shall review such specifications to ensure that the Interconnection Customer's Interconnection Facilities are compatible with the technical specifications, operational control, and safety requirements of the Transmission Provider, and shall use Reasonable Efforts to comment on such specifications within 30 calendar days of the Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.
  - 1.5.4.2 The Transmission Provider's review of the Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Small Generating Facility, or the Interconnection Customer's Interconnection Facilities. The Interconnection Customer shall make such changes to the Interconnection Customer's Interconnection Facilities as may reasonably be required by the

Transmission Provider, in accordance with Good Utility Practice, to ensure that the Interconnection Customer's Interconnection Facilities are compatible with the technical specifications, operational control, and safety requirements of the Transmission Provider.

1.5.4.3 Within 120 calendar days after the commercial operation date of the Small Generating Facility, unless the Parties agree on another mutually acceptable deadline, the Interconnection Customer shall deliver to the Transmission Provider "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities, such as: a one-line diagram, a site plan showing the Small Generating Facility and the Interconnection Customer's Interconnection Facilities, plan and elevation drawings showing the layout of the Interconnection Customer's Interconnection Facilities, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Interconnection Customer's step-up transformers, the facilities connecting the Small Generating Facility to the step-up transformers and the Interconnection Customer's Interconnection Facilities, and the impedances (determined by factory tests) for the associated step-up transformers and the Small Generating Facility. The Interconnection Customer shall provide the Transmission Provider specifications for the excitation system, automatic voltage regulator, Small Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

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 Transmission Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Provider's Transmission 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 Transmission Provider shall coordinate with all Affected Systems to support the interconnection.

1.5.7 The Interconnection Customer shall ensure "frequency ride through" capability and "voltage ride through" capability of its Small Generating Facility. The Interconnection Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Transmission Provider and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or

over-voltage condition, as tested pursuant to Article 2.1 of this agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The Small Generating Facility's protective equipment settings shall comply with the Transmission Provider's automatic load-shed program. The Transmission Provider shall review the protective equipment settings to confirm compliance with the automatic load-shed program. The term "ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The term "frequency ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The term "voltage ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of under-voltage and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis.

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 applicable system operator(s) for the Transmission Provider's Transmission 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 Transmission 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 and Primary Frequency Response

### 1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. 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 Transmission Provider has established different requirements that apply to all similarly situated synchronous generators in the control area on a comparable basis.

1.8.1.2 Non-Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all similarly situated non-synchronous generators in the control area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the initial effective date of this Article 1.8.1.2. This requirement shall also apply to existing non-synchronous generators making upgrades that require a new SGIA only where the Transmission Provider's System Impact Study shows the need for reactive power as a result of an upgrade. If applicable, this requirement will be memorialized in Attachment 5 of this SGIA.

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 Transmission Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in Article 1.8.1. In addition, if the Transmission 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.

- 1.8.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Small Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Small Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and  $\pm 0.036$  Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Small Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Small Generating Facility’s real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Small Generating Facility’s real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the Transmission System, Interconnection Customer shall operate the Small Generating Facility consistent with the provisions specified in Articles 1.8.4.1 and 1.8.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

- 1.8.4.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband



parameter to: (1) a maximum of  $\pm 0.036$  Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Small Generating Facility's governor or equivalent controls to a minimum whenever the Small Generating Facility is operated in parallel with the Transmission System.

1.8.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Small Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Small Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

1.8.4.3 Exemptions. Small Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 1.8.4, 1.8.4.1, and 1.8.4.2 of this Agreement. Small Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements



of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Article 1.8.4, but shall be otherwise exempt from the operating requirements in Articles 1.8.4, 1.8.4.1, 1.8.4.2, and 1.8.4.4 of this Agreement.

1.8.4.4 Electric Storage Resources. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Attachment 5 of its SGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 1.8.4, 1.8.4.1, 1.8.4.2 and 1.8.4.3 of this Agreement. Attachment 5 shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Attachment 5 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Article 1.8.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

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 Transmission Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Transmission Provider may, at the Interconnection Customer's expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Transmission Provider a written test report when such testing and inspection is completed.
- 2.1.2 The Transmission Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Transmission 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 Transmission Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Transmission Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Transmission 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 Transmission Provider's Transmission System without prior written authorization of the Transmission Provider. The Transmission Provider will provide such authorization once the Transmission 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 Transmission 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 Transmission 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 Transmission 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.

### 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. Notwithstanding this Article 3.2 or 3.3, the maximum effective period of this Agreement shall be 40 years from the Effective Date. Five years prior to termination, the Interconnection Customer shall provide written notice of its intention to extend this Agreement. Upon receiving such notice, Transmission Provider shall enter into good faith discussions regarding an extension of this Agreement at the Interconnection Customer's request.

### 3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Transmission Provider 20 Business Days written notice

3.3.2 The Transmission Provider may terminate this Agreement if the Small Generating

Facility has ceased operation for three consecutive years, beginning on the last date of operation for the Small Generating Facility, after giving the Interconnection Customer 20 Business Days advance written notice.

3.3.3 Either Party may terminate this Agreement after Default pursuant to Article 7.6.

3.3.4 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Provider's Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

3.3.5 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.6 The provisions of this article shall survive termination or expiration of this Agreement.

#### 3.4 Temporary Disconnection

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

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

3.4.2 Routine Maintenance, Construction, and Repair

The Transmission Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Transmission Provider's Transmission System when necessary for routine maintenance, construction, and repairs on the Transmission Provider's Transmission System. The Transmission Provider shall use Reasonable Efforts to provide the Interconnection Customer with five Business Days notice prior to such interruption. The Transmission 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 Transmission Provider may suspend interconnection service to effect immediate repairs on the Transmission Provider's Transmission System. The Transmission Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Transmission 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 Transmission 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 Transmission Provider's Transmission 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 Transmission Provider may disconnect the Small Generating Facility. The Transmission Provider shall use Reasonable Efforts to 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 Transmission 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 Transmission 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 Transmission Provider's 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 Transmission 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 Transmission 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 Transmission Provider's Interconnection Facilities.

#### 4.2 Distribution Upgrades

The Transmission Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Transmission 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 Transmission Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Transmission 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 Transmission 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 ongoing credits to its transmission charges, the total amount of which will be paid in a timely manner and will equal the total amount paid to the Transmission Provider and Affected System operator, if any, for Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be credited to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Transmission Provider's Tariff or Affected System's Tariff for transmission services with respect to the Small Generating Facility; provided, that the Transmission Provider shall net bill or bill credit the Interconnection Customer for any amounts to be credited. Any repayment shall include interest calculated 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, with such interest to be fixed for the length of the crediting period at the lower of either (1) the Interconnection Customer's interest rate applicable to the Network Upgrades or (2) the Federal interest rate applicable to the Transmission Provider's Transmission System at the time the Network Upgrades are placed in service and ownership thereof is transferred to the Transmission Provider. With Transmission Provider's approval, the Interconnection Customer may assign such repayment rights to any person having an executed net billing or bill crediting agreement with Transmission Provider that is effective throughout the entire term of the assignment.

5.2.1.1 Notwithstanding the foregoing, the Transmission Provider or any applicable Affected System operators will continue to provide credits to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, without any restriction as to the period of time under which such crediting will occur.

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 Transmission Provider and Affected System operator shall at that time reimburse the Interconnection Customer for the amounts advanced for the Network Upgrades; provided, that the party making use of the Network Upgrades must first pay to Transmission Provider all amounts to be reimbursed to the Interconnection Customer. Such amounts shall be subsequently credited by the Transmission Provider to the new party in accordance with Article 5.2.1 of this Agreement. 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 Transmission Provider provides, under this Agreement, for the repayment of amounts advanced to any applicable Affected System operators for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

### 5.4 Rights Under Other Agreements

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

## **Article 6. Billing, Payment, Milestones, and Advance Payment**

### 6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Transmission 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 in accordance with Articles 6.3.1 and 6.3.2 of this Agreement. 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 Transmission Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission 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 Transmission Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Transmission Provider shall invoice the Interconnection Customer for the amount due in accordance with Article 6.3.3 of this Agreement. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Transmission Provider shall refund to the Interconnection Customer an amount equal to the difference in accordance with Article 6.3.3 of this Agreement.

### 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 Advance Payment

- 6.3.1 The Interconnection Customer shall be required to pay the Transmission Provider for all actual costs incurred by the Transmission Provider for the procurement, installation, or construction of a discrete portion of a the Transmission Provider's Interconnection Facilities or Network Upgrades and shall pay Transmission Provider, in advance, for all work to be conducted, under the terms and conditions set forth in this Agreement. Such advance payments shall be considered estimated costs for project planning, management, design, engineering, land purchase, environmental investigations, procurement, construction, inspection and commissioning activities for which such advance payments are then due. The funds shall be deposited by the Interconnection Customer according to the instructions on individual invoices from the Transmission Provider, which shall be delivered by the Transmission Provider to Interconnection Customer at least 10 Business Days prior to the date of such payment being due. Transmission Provider shall not provide any labor, equipment, materials, parts, travel, or incur incidental costs associated with tasks described above, or commence any other work until applicable advance payment(s) is/are received in full.
- 6.3.2 The Interconnection Customer shall not be required to make any subsequent payment in the event tasks relating to the prior payment have not been substantially completed.
- 6.3.3 The Transmission Provider shall keep detailed records for actual costs incurred. The Interconnection Customer shall be entitled, during normal business hours and at its own expense, to review such records and supporting documentation. If, during procurement, installation, or construction of a discrete portion of a the Transmission Provider's Interconnection Facilities or Network Upgrades, or upon close-out of any phase of such activities, costs by the Transmission Provider are expected to exceed the sum of payments made by the Interconnection Customer, the Transmission Provider will inform the Interconnection Customer of the additional expenses and provide a written revision to the estimate, together with an invoice for the amount due. The Interconnection Customer shall then promptly pay the Transmission Provider in full and without interest for the billed amount. If, upon completion of the procurement, installation, or construction of a discrete

portion of the Transmission Provider's Interconnection Facilities or Network Upgrades, costs incurred by the Transmission Provider are less than the sum of payment(s) made to the Transmission Provider by the Interconnection Customer, the Transmission Provider shall refund the difference, without interest, as soon as the necessary vouchers may be prepared.

## **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:

- 7.1.1 Either Party may assign this Agreement with the written consent of the other Party to any affiliate of the assigning Party or other third 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, with the written consent of the Transmission Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility.
- 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 of the Interconnection Customer is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Consent to assignment will not be unreasonably withheld, conditioned or delayed.

### **7.2 Limitation of Liability**

- 7.2.1 The Interconnection Customer's liability to the Transmission Provider 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 the Interconnection Customer be liable to the Transmission Provider for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.
- 7.2.2 The liability of the Transmission Provider shall be determined only in accordance with the Federal Tort Claims Act provision set forth in Attachment J of the Transmission Provider's Tariff.

### **7.3 Indemnity**

- 7.3.1 This provision protects the Transmission Provider 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 7.2.1.
- 7.3.2 The Interconnection Customer shall at all times indemnify, defend, and hold the Transmission Provider 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 Transmission Provider's action or failure to meet its obligations under this Agreement on behalf of the Interconnection Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.
- 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 Interconnection Customer 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 Interconnection Customer contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 7.3.4 If the Interconnection Customer 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 Interconnection Customer of such fact. Any failure of or delay in such notification shall not affect the Interconnection Customer's indemnification obligation unless such failure or delay is materially prejudicial to the Interconnection Customer.

#### 7.4 Consequential Damages

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

#### 7.5 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 Transmission Provider, except that the Interconnection Customer shall show proof of insurance to the Transmission 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 Transmission Provider agrees to self-insure consistent with the Transmission Provider's practice. Such self-insurance shall not exclude coverage for the Transmission Provider's liabilities undertaken pursuant to this Agreement.
- 8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

## **Article 9. Confidentiality**

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



- 9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112.
- 9.4 If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this SGIA. 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.

## **Article 10. Disputes**

- 10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can



be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.

- 10.5 Each Party agrees to conduct all negotiations in good faith, and the Interconnection Customer will be responsible for all costs to be 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 Interconnection Customer agrees 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.

## **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 Federal law or by the laws of the state where the Point of Interconnection is located, as applicable. 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 Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, and also incorporating through reference Attachments J and K of Transmission Provider's Tariff as if they were a part hereof, 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 National Infrastructure Advisory Council or its successor, and, eventually, with 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

12.10.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the 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.

12.10.2 Each Party shall remedy as soon as practicable all releases of Hazardous Substances brought to, or created at, real property it owns underlying the Small Generating Facility or Interconnection Facilities, and any such substances migrating from real property it owns at the Small Generating Facility site. The Party that caused the release shall bear the costs of the remedial action, which shall meet applicable Federal and state environmental standards at the time of the action. Such costs may include, but are not limited to, Federal and state supervision, remedial action plans, removal and remedial actions, and negotiation of voluntary and judicial agreements required to meet such environmental standards.

12.10.3 The Parties agree to comply fully with the substantive requirements of all applicable Federal, state and local environmental laws in the performance of their obligations hereunder, and to mitigate and abate adverse environmental impacts accordingly.

#### 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 Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

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

12.12 [This article intentionally left blank.]

## 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 Transmission Provider:

Transmission 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: \_\_\_\_\_

Transmission 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: \_\_\_\_\_

(Contract Number)  
(Interconnection Customer)

Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

If to the Transmission Provider:

Transmission 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: \_\_\_\_\_

Transmission Provider's Operating Representative:

Transmission 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.

### WESTERN AREA POWER ADMINISTRATION

By \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

### (INTERCONNECTION CUSTOMER)

(SEAL)

By \_\_\_\_\_

Attest:

Title \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

Title \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

## Attachment 1

### Glossary of Terms

**Affected System** – An electric system other than the Transmission Provider's Transmission 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.

**Confidential Information** – 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.

**Default** – The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

**Distribution System** – The Transmission 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 Transmission 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.

**Effective Date** – The date on which the Standard Small Generator Interconnection Agreement becomes effective upon execution by the Parties.

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

**FERC** – The Federal Energy Regulatory Commission or its successor.

**Good Utility Practice** – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good



Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

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

**Hazardous Substances** – 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.

**Interconnection Customer** – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

**Interconnection Facilities** – The Transmission 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 Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

**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 Transmission Provider's Transmission 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 Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection of the Small Generating Facility with the Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

**Notice of Dispute** – A written notice of a dispute or claim that arises out of or in connection with the Standard Small Generator Interconnection Agreement or its performance.

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

**Party or Parties** – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

**Point of Interconnection** – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission 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 and/or storage for later injection of electricity identified in the Interconnection Request. The Small Generating Facility shall be no larger than 20 MW, and shall not include the Interconnection Customer's Interconnection Facilities.

**Tariff** – The Transmission Provider or Affected System's Tariff through which open access transmission service and Interconnection Service are offered, as amended or supplemented from time to time, or any successor tariff.

**Transmission Owner** – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

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

**Transmission System** – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

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

## **Attachment 2**

### **Description and Costs of the 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 Transmission Provider, or the Transmission Owner. The Transmission 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. This language will be deleted from a SGIA offered to an Interconnection Customer for execution.]

DISCLAIMER: WAPA's Open Access Transmission Tariff (OATT) is filed with the Federal Energy Regulatory Commission (FERC).  
WAPA's filings and associated FERC orders establish the rates, terms and conditions of service. This version is  
prepared for the convenience of WAPA's customers and any conflicts between this document and  
the version filed shall be resolved in favor of the version filed. (Contract Number)  
(Interconnection Customer)

### **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:

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

Agreed to by:

For the Transmission Provider \_\_\_\_\_ Date \_\_\_\_\_

For the Transmission Owner (If Applicable) \_\_\_\_\_ Date \_\_\_\_\_

For the Interconnection Customer \_\_\_\_\_ Date \_\_\_\_\_

DISCLAIMER: WAPA's Open Access Transmission Tariff (OATT) is filed with the Federal Energy Regulatory Commission (FERC).  
WAPA's filings and associated FERC orders establish the rates, terms and conditions of service. This version is  
prepared for the convenience of WAPA's customers and any conflicts between this document and  
the version filed shall be resolved in favor of the version filed.

(Contract Number)  
(Interconnection Customer)

## **Attachment 5**

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

[The Transmission Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Transmission Provider's Transmission System. This language will be deleted from a SGIA offered to an Interconnection Customer for execution.]

**Attachment 6**

**Transmission Provider's Description of its Upgrades  
and Best Estimate of Upgrade Costs**

[The Transmission Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Transmission Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related. This language will be deleted from a SGIA offered to an Interconnection Customer for execution.]