

TENNESSEE VALLEY AUTHORITY
STANDARD LARGE GENERATOR
INTERCONNECTION PROCEDURES (LGIP)

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including

STANDARD LARGE GENERATOR
INTERCONNECTION AGREEMENT (LGIA)

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 – Cluster Study Agreement

Appendix 3 – Interconnection Facilities Study Agreement

Appendix 4 – Optional Interconnection Study Agreement

Appendix 5 – Standard Large Generator Interconnection Agreement

Appendix 6 – Interconnection Procedures for a Wind Generating Plant

Appendix 7 – Transitional Cluster Study Agreement

Appendix 8 – Transitional Serial Interconnection Facilities Study

Agreement Appendix 9 – Two-Party Affected System Study Agreement

Appendix 10 – Multiparty Affected System Study Agreement

Appendix 11 – Two-Party Affected System Facilities Construction Agreement

Appendix 12 – Multiparty Affected System Facilities Construction Agreement

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 TVA's Transmission System that may be affected by the proposed interconnection.

Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 11 to this LGIP that is made between TVA and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on TVA's Transmission System.

Affected System Interconnection Customer shall mean any entity that submits an interconnection request for a generating facility to a transmission system other than TVA's Transmission System that may cause the need for Affected System Network Upgrades on TVA's Transmission System.

Affected System Network Upgrades shall mean the additions, modifications, and upgrades to TVA's Transmission System required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than TVA's Transmission System.

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

Affected System Queue Position shall mean the queue position of an Affected System Interconnection Customer in TVA's interconnection queue relative to TVA's Interconnection Customers' Queue Positions.

Affected System Study shall mean the evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system other than TVA's Transmission System that have an impact on TVA's Transmission System, as described in Section 9 of this LGIP.

Affected System Study Agreement shall mean the agreement contained in Appendix 9 to this LGIP that is made between TVA and Affected System Interconnection Customer to conduct an Affected System Study pursuant to Section 9 of this LGIP.

Affected System Study Report shall mean the report issued following completion of an Affected System Study pursuant to Section 9.7 of this LGIP.

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; provided, however, that TVA has no Affiliates.

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 TVA'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 including Environmental Laws.

Applicable Reliability Standards shall mean the reliability standards of the Electric Reliability Organization approved by FERC pursuant to Section 215 of the Federal Power Act, including the requirements and guidelines of the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority shall mean an entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area shall mean 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.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by TVA 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. If any performance or payment is due on a day that is not a Business Day, the performance or payment shall be due on the next Business Day.

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

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study.

Cluster Request Window shall mean the time period set forth in Section 3.4.1 of this LGIP.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report shall mean the report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report Meeting shall mean the meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this LGIP.

Cluster Study Agreement shall mean the agreement contained in Appendix 2 to this LGIP for conducting the Cluster Study.

Cluster Study Process shall mean the following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report shall mean the report issued following completion of a Cluster Study pursuant to Section 7 of this LGIP.

Cluster Study Report Meeting shall mean the meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this LGIP.

Clustering shall mean the process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Section 7 of this LGIP.

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.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.4.2, 7.5, and 8.1 of this LGIP.

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 upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Customer Engagement Window shall mean the time period set forth in Section 3.4.5 of this LGIP.

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 TVA'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 TVA'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.

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

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 TVA, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to TVA's Transmission System, TVA's Interconnection Facilities or the electric systems of others to which TVA'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 Interconnection Customer to connect its Generating Facility to TVA's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of TVA'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 TVA 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 Laws shall mean Applicable Laws or Regulations relating to pollution, protection of the environment, natural or cultural resources, including, but not limited to, the Clean Air Act, 42 U.S.C. §§ 7401 et seq., the Clean Water Act, 33 U.S.C. §§ 1151 et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., the Endangered Species Act, 16 U.S.C. §§ 1531 et seq., the National Historic Preservation Act, 16 U.S.C. §§ 470 et seq., NEPA, and the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., all as amended.

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 device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating

Facility or the aggregate net capacity of the Generating Facility where it includes more than one device for the production and/or storage for later injection of electricity.

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 or any Affiliate thereof; and provided further that Governmental Authority includes TVA.

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 Laws, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Laws.

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 Interconnection Customer reasonably expects it will be ready to begin use of TVA’s Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including TVA, that proposes to interconnect its Generating Facility with TVA’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 TVA's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean TVA's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to TVA'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 TVA or a third party consultant for Interconnection Customer to determine a list of facilities (including TVA's Interconnection Facilities and Network Upgrades as identified in the Cluster Study), the cost of those facilities, and the time required to interconnect the Generating Facility with TVA's Transmission System. The scope of the study is defined in Section 8 of this LGIP.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 3 of this LGIP for conducting the Interconnection Facilities Study.

Interconnection Facilities Study Report shall mean the report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of this LGIP.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to this LGIP, 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 TVA's Transmission System.

Interconnection Service shall mean the service provided by TVA associated with interconnecting Interconnection Customer's Generating Facility to TVA'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.

Interconnection Study shall mean any of the following studies: the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service Study, the Interconnection Facilities Study, the Affected System Study, the Optional Interconnection Study, and the Material Modification assessment, described in this LGIP.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and TVA 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.

LGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed LGIA in accordance with Section 11.3 of this LGIP.

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 an equal or later Queue Position.

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.

Multiparty Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 12 to this LGIP that is made among TVA and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on TVA's Transmission System.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 10 to this LGIP that is made among TVA and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this LGIP.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under Transmission Service Guidelines. 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 Interconnection Customer to integrate its Large Generating Facility with TVA's Transmission System in a manner comparable to that in which TVA

integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to TVA's Transmission System required at or beyond the point at which the Interconnection Facilities connect to TVA's Transmission System to accommodate the interconnection of the Large Generating Facility to TVA'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 Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 4 of this LGIP for conducting the Optional Interconnection Study.

Party or Parties shall mean TVA, Transmission Owner, Interconnection Customer or any combination of the above.

Permissible Technological Advancement shall mean a change to technology of Generating Facility equipment that results in electrical performance that is equal to or better than the electrical performance expected prior to the technological change and meets all the following criteria: (1) does not change the Generating Facility technology type (e.g., synchronous, inverter-based) fuel type or storage capability initially proposed in the Interconnection Request; (2) does not change the Interconnection Service amount, except as permitted under Section 4.4.2; (3) does not materially impact TVA's Transmission System with regard to short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response; (4) 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); (5) does not violate Applicable Reliability Standards or otherwise cause reliability concerns; and (6) does not have a material impact on the cost or timing of any Interconnection Request with a later queue priority date (i.e., is not a Material Modification).

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

Proportional Impact Method shall mean a technical analysis conducted by TVA to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Interconnection Service provided by TVA associated with interconnecting Interconnection Customer's Generating Facility to TVA'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.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between TVA and/or Transmission Owner and Interconnection Customer. This agreement shall take the form of the Standard 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, established pursuant to Section 4.1 of this LGIP.

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.

Resource Plan shall mean any process authorized or required by Applicable Laws and Regulations for, inter alia, the selection of Generating Facilities interconnected to TVA's Transmission System.

Resource Planning Entity shall mean TVA or any entity required to develop a Resource Plan or conduct a Resource Solicitation Process.

Resource Solicitation Cluster shall mean a Cluster associated with a Resource Plan or Resource Solicitation Process.

Resource Solicitation Process shall mean any process authorized or required by Applicable Laws and Regulations for the acquisition of Network Resources.

Scoping Meeting shall mean the meeting between representatives of Interconnection Customer(s) and TVA conducted for the purpose of discussing the proposed Interconnection Request and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the

Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, and analyzing such information.

Site Control shall mean the exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation and a signed affidavit establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. TVA will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

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 Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both TVA and 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 TVA and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, TVA must provide Interconnection Customer a written technical explanation outlining why TVA does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business 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 TVA's LGIP.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility.

Substation Network Upgrades shall mean Network Upgrades that are required at the substation located at the Point of Interconnection.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a Standard 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 Network Upgrades shall mean Network Upgrades that are required

beyond the substation located at the Point of Interconnection.

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

Transitional Cluster Study shall mean an Interconnection Study evaluating a Cluster of Interconnection Requests during the transition to the Cluster Study Process, as set forth in Section 5.1.1.2 of this LGIP.

Transitional Cluster Study Agreement shall mean the agreement contained in Appendix 7 to this LGIP that is made between TVA and Interconnection Customer to conduct a Transitional Cluster Study pursuant to Section 5.1.1.2 of this LGIP.

Transitional Cluster Study Report shall mean the report issued following completion of a Transitional Cluster Study pursuant to Section 5.1.1.2 of this LGIP.

Transitional Serial Interconnection Facilities Study shall mean an Interconnection Facilities Study evaluating an Interconnection Request on a serial basis during the transition to the Cluster Study Process, as set forth in Section 5.1.1.1 of this LGIP.

Transitional Serial Interconnection Facilities Study Agreement shall mean the agreement contained in Appendix 8 to this LGIP that is made between TVA and Interconnection Customer to conduct a Transitional Serial Interconnection Facilities Study pursuant to Section 5.1.1.1 of this LGIP.

Transitional Serial Interconnection Facilities Study Report shall mean the report issued following completion of a Transitional Serial Interconnection Facilities Study pursuant to Section 5.1.1.1 of this LGIP.

Transitional Withdrawal Penalty shall mean the penalty assessed by TVA to Interconnection Customer that has entered the Transitional Cluster Study or Transitional Serial Interconnection Facilities Study and chooses to withdraw or is deemed withdrawn from TVA's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Transitional Withdrawal Penalty is set forth in Sections 5.1.1.1 and 5.1.1.2 of this LGIP.

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 Service Guidelines shall mean TVA's Transmission Service Guidelines through which open access transmission service and Interconnection Service are offered, and as amended or supplemented from time to time, or any successor.

Transmission System shall mean the facilities owned, controlled or operated by TVA that are used to provide transmission service under the Transmission Service Guidelines.

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.

TVA 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 Transmission Service Guidelines. The term TVA should be read to include the Transmission Owner when the Transmission Owner is separate from TVA.

TVA's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by TVA 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. TVA's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Withdrawal Penalty shall mean the penalty assessed by TVA to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from TVA's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this LGIP.

Section 2. Scope and Application

2.1 Application of Standard Large Generator Interconnection Procedures.

Sections 2 through 13 of this LGIP apply to processing an Interconnection Request pertaining to a Large Generating Facility. This LGIP applies to TVA as an Interconnection Customer pursuant to TVA's internal processes and procedures, which control in the event of differences between this LGIP and such internal processes and procedures.

2.2 Comparability.

TVA shall receive, process and analyze all Interconnection Requests in

a timely manner as set forth in this LGIP. TVA shall process and analyze Interconnection Requests from all Interconnection Customers comparably, regardless of whether the Generating Facilities are owned by TVA or others.

2.3 Base Case Data.

TVA 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, TVA 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 and be representative of current system conditions. If TVA posts this information on a password-protected website, a link to the information must be provided on TVA's OASIS site. TVA 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 (1) generation projects and (2) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to 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.

2.5 Environmental Laws. TVA shall determine the environmental reviews, analyses, studies and approvals, and any associated public review processes, records of decision, and conclusions that must be completed, and the determinations to be reached, by TVA and all applicable Governmental Authorities under Applicable Laws and Regulations, including without limitation as required under Environmental Laws, and the requisite findings, results and determination, before TVA is obligated to perform, or Interconnection Customer is permitted to undertake, any ground-disturbing activities under the LGIA. TVA shall determine whether any and all of the foregoing have been completed satisfactorily and whether the results and determinations permit the same before TVA is obligated to construct and before Interconnection Customer may undertake ground-disturbing activities. Interconnection Customer acknowledges and understands that Environmental Laws review and compliance as

provided in the LGIA may entirely prevent interconnection and the construction of Interconnection Facilities, Network Upgrades, or any other structure.

Section 3. Interconnection Requests

3.1 Interconnection Requests.

3.1.1 Study Deposits.

3.1.1.1 Study Deposit. Interconnection Customer shall submit to TVA, during a Cluster Request Window, an Interconnection Request in the form of Appendix 1 to this LGIP, a non-refundable application fee of \$25,000, and a refundable study deposit of:

(a) \$150,000 for Interconnection Requests < 75 MW; or

(b) \$200,000 for Interconnection Requests \geq 75 MW < 200 MW; or

(c) \$300,000 for Interconnection Requests \geq 200 MW.

TVA shall apply the study deposit toward the cost of the Cluster Study Process.

3.1.2 Submission.

Interconnection Customer shall submit a separate Interconnection Request for each site. Where multiple Generating Facilities share a site, Interconnection Customer(s) may submit separate Interconnection Requests or a single Interconnection Request. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

At Interconnection Customer's option, TVA and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at a Scoping Meeting within the Customer Engagement Window 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 of Interconnection to be studied no later than the execution of the Cluster Study Agreement. For purposes of Clustering Interconnection Requests, TVA may propose changes

to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Point(s) of Interconnection. TVA shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection within the Customer Engagement Window, and the Point of Interconnection shall only change upon mutual agreement.

TVA shall have a process in place to consider requests for Interconnection Service below the Generating Facility Capacity. These requests for Interconnection Service shall be studied at the level of Interconnection Service 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 Interconnection Customer. If after the additional studies are complete, TVA determines that additional Network Upgrades are necessary, then TVA 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 would be borne by 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 that executed LGIA.

TVA shall have a process in place to study Generating Facilities that include at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by Interconnection Customer, unless TVA determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions. If TVA finds Interconnection Customer's requested operating assumptions conflict with Good Utility Practice, TVA must provide Interconnection Customer an explanation in writing of why the submitted operating assumptions are insufficient or inappropriate by no later than thirty (30) Calendar Days before the end of the Customer Engagement Window and allow Interconnection Customer to revise and resubmit requested operating assumptions one time at least ten (10) Calendar Days prior to the end of the Customer Engagement Window. TVA

shall study these requests for Interconnection Service, with the study costs borne by Interconnection Customer, using the submitted operating assumptions for purposes of Interconnection Facilities, Network Upgrades, and associated costs. These requests for Interconnection Service also 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 Interconnection Customer. Interconnection Customer's Generating Facility may be subject to additional control technologies as well as testing and validation of such additional control technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be set forth in Appendix C of Interconnection Customer's LGIA.

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 level of interconnection service 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, except for Generating Facilities that include at least one electric storage resource that request to use operating assumptions pursuant to Section 3.1.2, unless TVA determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions, 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. TVA must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility in a manner comparable to that in which TVA integrates its generating facilities to serve native load customers. 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 TVA'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 TVA's Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Large Generating Facility at full output, except for Generating Facilities that include at least one electric storage

resource that request to use, and for which TVA approves, operating assumptions pursuant to Section 3.1.2, the aggregate of generation in the local area can be delivered to the aggregate of load on TVA's Transmission System, consistent with TVA'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. TVA may also study the Transmission System under non-peak load conditions. However, upon request by Interconnection Customer, TVA must explain in writing to Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.3 Utilization of Surplus Interconnection Service.

TVA must provide a process that 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. The process for utilizing Surplus Interconnection Service is supplemented in TVA's Business Practices. All requests for Surplus Interconnection Service shall be processed outside of the interconnection queue.

3.3.1 Surplus Interconnection Service Requests.

Surplus Interconnection Service requests may be made by the existing Interconnection Customer or one of its affiliates or may be submitted once Interconnection Customer has executed the LGIA. Surplus Interconnection Service requests also may be made by another Interconnection Customer. TVA 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 provision of the Surplus Interconnection Service. If the original 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 request for Surplus Interconnection Service. The reactive power, short circuit/fault duty, stability, and steady-state analyses or other appropriate studies for Surplus Interconnection Service will identify any additional Interconnection Facilities and/or Network Upgrades necessary.

TVA shall study Surplus Interconnection Service requests for a Generating Facility that includes at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by Interconnection Customer, unless TVA determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions.

3.4 Valid Interconnection Request.

3.4.1 Cluster Request Window.

TVA shall accept Interconnection Requests during a forty-five (45) Calendar Day period (the Cluster Request Window). The initial Cluster Request Window shall open for Interconnection Requests beginning forty-five (45) Calendar Days after the conclusion of the transition process set out in Section 5.1 of this LGIP and successive Cluster Request Windows shall open annually every January 15 thereafter.

3.4.2 Initiating an Interconnection Request.

An Interconnection Customer seeking to join a Cluster shall submit its Interconnection Request to TVA within, and no later than the close of, the Cluster Request Window. Interconnection Requests submitted outside of the Cluster Request Window will not be considered. To initiate an Interconnection Request, Interconnection Customer must submit all of the following:

- (i) Applicable study deposit amount, pursuant to Section 3.1.1.1 of this LGIP,
- (ii) A completed application in the form of Appendix 1, including attachments,

(iii) Demonstration of one hundred percent (100%) Site Control or (1) a signed affidavit from an officer of the company indicating that Site Control is unobtainable due to regulatory limitations as such term is defined by TVA; and (2) documentation sufficiently describing and explaining the source and effects of such regulatory limitations, including a description of any conditions that must be met to satisfy the regulatory limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements and (3) a deposit in lieu of Site Control of \$10,000 per MW, subject to a minimum of \$500,000 and a maximum of \$2,000,000. Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use,

(iv) Generating Facility Capacity (MW) (and requested Interconnection Service level if the requested Interconnection Service is less than the Generating Facility Capacity),

(v) If applicable, (1) the requested operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) to be used by TVA that reflect the proposed charging behavior of the Generating Facility that includes at least one electric storage resource, and (2) a description of any control technologies (software and/or hardware) that will limit the operation of the Generating Facility to the operating assumptions submitted by Interconnection Customer.

(vi) A Commercial Readiness Deposit equal to two times the study deposit described in Section 3.1.1.1 of this LGIP in the form of cash or other form of security that is acceptable to TVA. This Commercial Readiness Deposit is refunded to Interconnection Customer according to Section 3.7 of this LGIP,

(vii) A Point of Interconnection, and

(viii) Whether the Interconnection Request shall be studied for Network Resource Interconnection Service or for Energy Resource Interconnection Service, consistent with Section 3.2 of this LGIP.

An Interconnection Customer that submits a deposit in lieu of Site Control due to demonstrated regulatory limitations must demonstrate that it is taking identifiable steps to secure the necessary regulatory approvals from the applicable federal, state, and/or tribal entities before execution of the Cluster Study Agreement. Such deposit will be held by TVA until Interconnection Customer provides the required Site Control demonstration for the Cluster Study Process. Interconnection Customers facing qualifying regulatory limitations must demonstrate one hundred percent (100%) Site Control within one hundred eighty (180) Calendar Days of the effective date of the LGIA.

Interconnection Customer shall promptly inform TVA of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this LGIP. If TVA determines, based on Interconnection Customer's information, that Interconnection Customer no longer satisfies the Site Control requirement, TVA shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement subject to TVA's approval. Absent such, TVA shall deem the Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP.

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 TVA's expansion planning period) not to exceed ten (10) years from the date the Interconnection Request is received by TVA, 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 TVA by a period of more than ten (10) years where Interconnection Customer and TVA agree, such agreement not to be unreasonably withheld.

3.4.3 Acknowledgment of Interconnection Request.

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

3.4.4 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid request until all items in Section 3.4.2 of this LGIP have been received by TVA during the Cluster Request Window. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.2 of this LGIP, TVA shall notify Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide TVA the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice but no later than the close of the Cluster Request Window. At any time, if TVA finds that the technical data provided by Interconnection Customer is incomplete or contains errors, Interconnection Customer and TVA shall work expeditiously and in good faith to remedy such issues. In the event that Interconnection Customer fails to comply with this Section 3.4.4 of this LGIP, TVA shall deem the Interconnection Request withdrawn (without the cure period provided under Section 3.7 of this LGIP), the application fee is forfeited to TVA, and the study deposit and Commercial Readiness Deposit shall be returned to Interconnection Customer.

3.4.5 Customer Engagement Window.

Upon the close of each Cluster Request Window, TVA shall open a sixty (60) Calendar Day period (Customer Engagement Window). During the Customer Engagement Window, TVA shall hold a Scoping Meeting with all interested Interconnection Customers. Notwithstanding the preceding requirements and upon written consent of all Interconnection Customers within the Cluster, TVA may shorten the Customer Engagement Window and begin the Cluster Study. Within ten (10) Business Days of the opening of the Customer Engagement Window, TVA shall post on its OASIS a list of Interconnection Requests for that Cluster. The list shall identify, for each anonymized Interconnection Request: (1) the requested amount of Interconnection Service; (2) the location by county and state; (3) the station or transmission line or lines where the interconnection will be made; (4) the projected In-Service Date; (5) the type of Interconnection Service requested; and (6) the type of Generating Facility or Facilities to be constructed, including fuel types, such as coal, natural gas, solar, or wind. TVA must ensure that project information is anonymized and does not reveal the identity or commercial information of Interconnection Customers with submitted requests. During the Customer Engagement Window, TVA shall provide to Interconnection Customer a non-binding

updated good faith estimate of the cost and timeframe for completing the Cluster Study and a Cluster Study Agreement to be executed prior to the close of the Customer Engagement Window.

At the end of the Customer Engagement Window, all Interconnection Requests deemed valid that have executed a Cluster Study Agreement in the form of Appendix 2 to this LGIP shall be included in the Cluster Study. Any Interconnection Requests for which Interconnection Customer has not executed a Cluster Study Agreement shall be deemed withdrawn (without the cure period provided under Section 3.7 of this LGIP) by TVA, the application fee shall be forfeited to TVA, and TVA shall return the study deposit and Commercial Readiness Deposit to Interconnection Customer. Immediately following the Customer Engagement Window, TVA shall initiate the Cluster Study described in Section 7 of this LGIP.

3.4.6 Cluster Study Scoping Meeting.

During the Customer Engagement Window, TVA shall hold a Scoping Meeting with all Interconnection Customers whose valid Interconnection Requests were received in that Cluster Request Window.

The purpose of the Cluster Study Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would reasonably be expected to impact such interconnection options, to discuss the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, if applicable, and to analyze such information. TVA and Interconnection Customer(s) 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. TVA and Interconnection Customer(s) 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(s) shall designate its Point of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose. If the Cluster Study Scoping Meeting consists of more than one Interconnection Customer, TVA shall issue, no later than fifteen (15) Business Days after the

commencement of the Customer Engagement Window, and Interconnection Customer shall execute a non-disclosure agreement prior to a group Cluster Study Scoping Meeting, which will provide for confidentiality of identifying information or commercially sensitive information pertaining to any other Interconnection Customers.

3.5. OASIS Posting.

3.5.1 OASIS Posting.

TVA will maintain on its OASIS a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum spring/fall, 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; (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; and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. The list will not disclose the identity of Interconnection Customer. Interconnection Study reports and Optional Interconnection Study reports shall be posted to TVA's OASIS site subsequent to the meeting between Interconnection Customer and TVA to discuss the applicable study results. TVA shall also post any known deviations in the Large Generating Facility's In-Service Date.

3.5.2 Requirement to Post Interconnection Study Metrics.

TVA will maintain on its OASIS or its website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. If TVA posts this information on its website, a link to the information must be provided on TVA's OASIS site. For each calendar quarter, TVA must calculate and post the information detailed in Sections 3.5.2.1 through 3.5.2.4 of this LGIP.

3.5.2.1 Interconnection Cluster Study Processing Time.

(A) Number of Interconnection Requests that had Cluster Studies completed within TVA's coordinated region during the reporting

quarter,

(B) Number of Interconnection Requests that had Cluster Studies completed within TVA's coordinated region during the reporting quarter that were completed more than one hundred fifty (150) Calendar Days after the close of the Customer Engagement Window,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Studies where such Interconnection Requests had executed a Cluster Study Agreement received by TVA more than one hundred fifty (150) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Cluster Studies completed within TVA's coordinated region during the reporting quarter, from the commencement of the Cluster Study to the date when TVA provided the completed Cluster Study Report to Interconnection Customer,

(E) Mean time (in days), Cluster Studies were completed within TVA's coordinated region during the reporting quarter, from the close of the Cluster Request Window to the date when TVA provided the completed Cluster Study Report to Interconnection Customer,

(F) Percentage of Cluster Studies exceeding one hundred fifty (150) Calendar Days to complete this reporting quarter, calculated as the sum of Section 3.5.2.1(B) plus Section 3.5.2.1(C) divided by the sum of Section 3.5.2.1(A) plus Section 3.5.2.1(C) of this LGIP.

3.5.2.2 Cluster Restudies Processing Time.

(A) Number of Interconnection Requests that had Cluster Restudies completed within TVA's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had

Cluster Restudies completed within TVA's coordinated region during the reporting quarter that were completed more than one hundred fifty (150) Calendar Days after TVA notifies Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this LGIP,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Restudies where TVA notified Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this LGIP more than one hundred fifty (150) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Cluster Restudies completed within TVA's coordinated region during the reporting quarter, from the date when TVA notifies Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this LGIP to the date when TVA provided the completed Cluster Restudy Report to Interconnection Customer,

(E) Mean time (in days), Cluster Restudies completed within TVA's coordinated region during the reporting quarter, from the close of the Cluster Request Window to the date when TVA provided the completed Cluster Restudy Report to Interconnection Customer,

(F) Percentage of Cluster Restudies exceeding one hundred fifty (150) Calendar Days to complete this reporting quarter, calculated as the sum of Section 3.5.2.2(B) plus Section 3.5.2.2(C) divided by the sum of Section 3.5.2.2(A) plus Section 3.5.2.2(C) of this LGIP.

3.5.2.3 Interconnection Facilities Studies Processing Time.

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within TVA's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within TVA's coordinated region during the reporting quarter that were completed more than the timeline as listed in TVA's LGIP after receipt by TVA of 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 TVA more than the timeline as listed in TVA's LGIP before the reporting quarter end,

(D) Mean time (in days), for Interconnection Facilities Studies completed within TVA's coordinated region during the reporting quarter, calculated from the date when TVA received the executed Interconnection Facilities Study Agreement to the date when TVA provided the completed Interconnection Facilities Study to Interconnection Customer,

(E) Mean time (in days), Interconnection Facilities Studies completed within TVA's coordinated region during the reporting quarter, from the close of the Cluster Request Window to the date when TVA provided the completed Interconnection Facilities Study to Interconnection Customer,

(F) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of Section 3.5.2.3(B) plus Section 3.5.2.3(C) divided by the sum of Section 3.5.2.3(A) plus Section 3.5.2.3(C) of this LGIP.

3.5.2.4 Interconnection Service Requests Withdrawn from Interconnection Queue.

(A) Number of Interconnection Requests

withdrawn from TVA's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from TVA'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 TVA's interconnection queue during the reporting quarter before completion of a Cluster Study,

(D) Number of Interconnection Requests withdrawn from TVA's interconnection queue during the reporting quarter before completion of an Interconnection Facilities Study,

(E) Number of Interconnection Requests withdrawn from TVA's interconnection queue after completion of an Interconnection Facilities Study but before execution of an LGIA,

(F) Number of Interconnection Requests withdrawn from TVA's interconnection queue after execution of an LGIA,

(G) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when TVA received the request to withdraw from the queue.

3.5.3 TVA is required to post on OASIS or its website the measures in Section 3.5.2.1(A) through Section 3.5.2.4(G) for each calendar quarter within thirty (30) Calendar Days of the end of the calendar quarter. TVA will keep the quarterly measures posted on OASIS or its website for three (3) calendar years. If TVA retains this information on its website, a link to the information must be provided on TVA's OASIS site.

3.6 Coordination with Affected Systems.

TVA will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with

Affected System Operators. Interconnection Customer will cooperate with TVA and Affected System Operator in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

A transmission provider whose system may be impacted by a proposed interconnection on another transmission provider's transmission system shall cooperate with TVA in all matters related to the conduct of studies and the determination of modifications to TVA's Transmission System.

3.6.1 Initial Notification.

TVA must notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Study.

At the time of initial notification, TVA must provide Interconnection Customer with a list of potential Affected Systems, along with relevant contact information.

3.6.2 Notification of Cluster Restudy.

TVA must notify Affected System Operator of a Cluster Restudy concurrently with its notification of such Cluster Restudy to Interconnection Customers.

3.6.3 Notification of Cluster Restudy Completion.

Upon the completion of TVA's Cluster Restudy, TVA will notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Restudy, regardless of whether that potential Affected System impact was previously identified. At the time of the notification of the completion of the Cluster Restudy to the Affected System Operator, TVA must provide Interconnection Customer with a list of potential Affected System Operators, along with relevant contact information.

3.7 Withdrawal.

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to TVA. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 13.5 (Disputes), TVA 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 TVA of its intent to pursue Dispute Resolution.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Interconnection Request is eliminated from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to TVA all costs that TVA prudently incurs with respect to that Interconnection Request prior to TVA's receipt of notice described above. Interconnection Customer must pay all monies due to TVA before it is allowed to obtain any Interconnection Study data or results.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn by TVA under Section 3.7 of this LGIP, TVA shall (i) update the OASIS Queue Position posting; (ii) impose the Withdrawal Penalty described in Section 3.7.1 of this LGIP; and (iii) refund to Interconnection Customer any portion of the refundable portion of Interconnection Customer's study deposit that exceeds the costs that TVA has incurred. TVA shall also apply the Commercial Readiness Deposit, if not applied to the Withdrawal Penalty and, if applicable, the deposit in lieu of site control, as provided in the LGIA. In the event of such withdrawal, TVA, subject to the confidentiality provisions of Section 13.1 of this LGIP, shall provide, at Interconnection Customer's request, all information that TVA developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.7.1 Withdrawal Penalty.

Interconnection Customer shall be subject to a Withdrawal Penalty if it withdraws its Interconnection Request or is deemed withdrawn, or the Generating Facility does not otherwise reach Commercial Operation unless: (1) the withdrawal is before the execution of the Large Generator Interconnection Agreement and does not have a material impact on the cost or timing of any Interconnection Request in the same Cluster; (2) Interconnection Customer withdraws after receiving Interconnection Customer's most recent Cluster Restudy Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in Interconnection Customer's preceding Cluster Study Report or Cluster Restudy Report; or (3) Interconnection Customer withdraws after receiving

Interconnection Customer's Interconnection Facilities Study Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than one hundred percent (100%) compared to costs identified in the Cluster Study Report or Cluster Restudy Report.

3.7.1.1

Calculation of the Withdrawal Penalty.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn prior to the commencement of the initial Cluster Study, Interconnection Customer shall not be subject to a Withdrawal Penalty. If Interconnection Customer withdraws, is deemed withdrawn, or otherwise does not reach Commercial Operation at any point after the commencement of the initial Cluster Study, that Interconnection Customer's Withdrawal Penalty will be the greater of: (1) two (2) times Interconnection Customer's study deposit required under Section 3.1.1.1 of this LGIP; or (2) as follows in (a)–(d):

(a) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Study or after receipt of a Cluster Study Report, but prior to commencement of the Cluster Restudy or Interconnection Facilities Study if no Cluster Restudy is required, Interconnection Customer shall be charged two (2) times Interconnection Customer's study deposit required under Section 3.1.1.1 of this LGIP.

(b) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Restudy or after receipt of any applicable restudy reports issued pursuant to Section 7.5 of this LGIP, but prior to commencement of the Interconnection Facilities Study, Interconnection Customer shall be charged five percent (5%) its estimated allocated Network Upgrade costs.

(c) If Interconnection Customer withdraws or is deemed withdrawn during the Interconnection Facilities Study, after

receipt of the Interconnection Facilities Study Report issued pursuant to Section 8.3 of this LGIP, or after receipt of the draft LGIA but before Interconnection Customer has executed an LGIA, and has satisfied the other requirements described in Section 11.3 of this LGIP (i.e., Site Control demonstration, LGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility), Interconnection Customer shall be charged ten percent (10%) its estimated allocated Network Upgrade costs.

(d) If Interconnection Customer has executed an LGIA and has satisfied the other requirements described in Section 11.3 of this LGIP (i.e., Site Control demonstration, LGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility) and subsequently withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, that Interconnection Customer's Withdrawal Penalty shall be twenty percent (20%) its estimated allocated Network Upgrade costs.

3.7.1.2 Distribution of the Withdrawal Penalty.

3.7.1.2.1 Initial Distribution of Withdrawal Penalties Prior to Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster. For a single Cluster, TVA shall hold all Withdrawal Penalty funds until all Interconnection Customers in that Cluster have either: (1) withdrawn or been deemed withdrawn; or (2) executed an LGIA. Any Withdrawal Penalty funds collected from the Cluster shall first be used to fund studies conducted under the Cluster Study Process for

Interconnection Customers in the same Cluster that have executed the LGIA. Next, after the Withdrawal Penalty funds are applied to relevant study costs in the same Cluster, TVA will apply the remaining Withdrawal Penalty funds to reduce net increases, for Interconnection Customers in the same Cluster, in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Article 11.5 of the *pro forma* LGIA attributable to the impacts of withdrawn Interconnection Customers that shared an obligation with the remaining Interconnection Customers to fund a Network Upgrade, as described in more detail in Sections 3.7.1.2.3 and 3.7.1.2.4. The total amount of funds used to fund these studies under the Cluster Study Process or those applied to any net increases in Network Upgrade costs for Interconnection Customers in the same Cluster shall not exceed the total amount of Withdrawal Penalty funds collected from the Cluster.

Withdrawal Penalty funds shall first be applied as a refund to invoiced study costs for Interconnection Customers in the same Cluster that did not withdraw within thirty (30) Calendar Days of such Interconnection Customers executing their LGIA. Distribution of Withdrawal Penalty funds within one specific Cluster for study costs shall not exceed the total actual Cluster Study Process costs for the Cluster. Withdrawal Penalty funds applied to study costs shall be allocated within the same Cluster to Interconnection Customers in a manner consistent with TVA's method in Section 13.3 of this LGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. TVA shall post the balance of Withdrawal Penalty funds held by TVA but not yet dispersed on its OASIS site and update this posting on a quarterly basis.

If an Interconnection Customer withdraws after it executes its LGIA, TVA shall first apply such Interconnection Customer's Withdrawal Penalty funds to any restudy costs required due to

Interconnection Customer's withdrawal as a credit to as-yet-to be invoiced study costs to be charged to the remaining Interconnection Customers in the same Cluster in a manner consistent with TVA's method in Section 13.3 of this LGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. Distribution of the Withdrawal Penalty funds for such restudy costs shall not exceed the total actual restudy costs.

3.7.1.2.2 Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster.

If Withdrawal Penalty funds remain for the same Cluster after the Withdrawal Penalty funds are applied to relevant study costs, TVA will determine if the withdrawn Interconnection Customers, at any point in the Cluster Study Process, shared cost assignment for one or more Network Upgrades with any remaining Interconnection Customers in the same Cluster based on the Cluster Study Report, Cluster Restudy Report(s), Interconnection Facilities Study Report, and any subsequent issued restudy report issued for the Cluster.

In Section 3.7.1.2 of this LGIP, shared cost assignments for Network Upgrades refers to the cost of Network Upgrades still needed for the same Cluster for which an Interconnection Customer, prior to withdrawing its Interconnection Request, shared the obligation to fund along with Interconnection Customers that have executed an LGIA.

If TVA's assessment determines that there are no shared cost assignments for any Network Upgrades in the same Cluster for the withdrawn Interconnection Customer, or determines that the withdrawn Interconnection Customer's withdrawal did not cause a net increase in the shared cost assignment for any remaining Interconnection Customers' Network Upgrade(s) in the same Cluster, TVA will return any

remaining Withdrawal Penalty funds to the withdrawn Interconnection Customer(s). Such remaining Withdrawal Penalty funds will be returned to withdrawn Interconnection Customers based on the proportion of each withdrawn Interconnection Customer's contribution to the total amount of Withdrawal Penalty funds collected for the Cluster (i.e., the total amount before the initial disbursement required under Section 3.7.1.2.1 of this LGIP). TVA must make such disbursement within sixty (60) Calendar Days of the date on which all Interconnection Customers in the same Cluster have either: (1) withdrawn or been deemed withdrawn; or (2) executed an LGIA. For the withdrawn Interconnection Customers that TVA determines have caused a net increase in the shared cost assignment for one or more Network Upgrade(s) in the same Cluster under Section 3.7.1.2.3(a) of this LGIP, TVA will determine each such withdrawn Interconnection Customers' Withdrawal Penalty funds remaining balance that will be applied toward net increases in Network Upgrade shared costs calculated under Sections 3.7.1.2.3(a) and 3.7.1.2.3(b) of this LGIP based on each such withdrawn Interconnection Customer's proportional contribution to the total amount of Withdrawal Penalty funds collected for the same Cluster (i.e., the total amount before the initial disbursement requirement under Section 3.7.1.2.1 of this LGIP).

If TVA's assessment determines that there are shared cost assignments for Network Upgrades in the same Cluster, TVA will calculate the remaining Interconnection Customers' net increase in cost assignment for Network Upgrades due to a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customer and distribute Withdrawal Penalty funds as described in Section 3.7.1.2.3, depending on whether the withdrawal occurred before the withdrawing Interconnection Customer executed the LGIA, as described in Section 3.7.1.2.3(a) of this LGIP, or after such execution of an LGIA, as described in Section 3.7.1.2.3(b) of this LGIP.

As discussed in Section 3.7.1.2.4 of this LGIP, TVA will amend executed LGIAs of the remaining Interconnection Customers in the same Cluster to apply the remaining Withdrawal Penalty funds to reduce net increases in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Article 11.5 of the pro forma LGIA attributable to the impacts of withdrawn Interconnection Customers on Interconnection Customers remaining in the same Cluster that had a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customers.

3.7.1.2.3 Impact Calculations.

3.7.1.2.3(a) Impact Calculation for Withdrawals During the Cluster Study Process.

If an Interconnection Customer withdraws before it executes its LGIA, TVA will distribute in the following manner the Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment for a Network Upgrade with the withdrawn Interconnection Customer.

To calculate the reduction in the remaining Interconnection Customers' net increase in Network Upgrade costs and associated financial security requirements under Article 11.5 of the pro forma LGIA, TVA will determine the financial impact of a withdrawing Interconnection Customer on other Interconnection Customers in the same Cluster that shared an obligation to fund the same Network Upgrade(s). TVA shall calculate this financial impact once all Interconnection Customers in the same Cluster either: (1) have withdrawn or have been deemed withdrawn; or (2) executed an LGIA. TVA will perform the financial impact calculation using the following steps.

First, TVA must determine which withdrawn Interconnection Customers shared an obligation

to fund Network Upgrades with Interconnection Customers from the same Cluster that have LGIAs that are executed. Next, TVA shall perform the calculation of the financial impact of a withdrawal on another Interconnection Request in the same Cluster by performing a comparison of the Network Upgrade cost estimates between each of the following:

- (1) Cluster Study phase to Cluster Restudy phase (if Cluster Restudy was necessary);
- (2) Cluster Restudy phase to Interconnection Facilities Study phase (if a Cluster Restudy was necessary);
- (3) Cluster Study phase to Interconnection Facilities Study phase (if no Cluster Restudy was performed);
- (4) Interconnection Facilities Study phase to any subsequent restudy that was performed before the execution of an LGIA;
- (5) the restudy to the executed LGIA (if a restudy was performed after the Interconnection Facilities Study phase and before the execution of the LGIA).

If, based on the above calculations, TVA determines:

- (i) that the costs assigned to an Interconnection Customer in the same Cluster for Network Upgrades that a withdrawn Interconnection Customer shared cost assignment for increased between any two studies, and
- (ii) after the impacted Interconnection Customer's LGIA was executed, Interconnection Customer's cost assignment for the relevant Network Upgrade is greater than it was prior to the withdrawal of Interconnection Customer in the same Cluster that shared cost assignment for the Network Upgrade,

then TVA shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds that has not already been applied to study costs in the amount of the financial impact by reducing, in the same Cluster, the remaining Interconnection Customers' Network Upgrade costs and associated financial security requirements under Article 11.5 of the *pro forma* LGIA.

If TVA determines that more than one Interconnection Customer in the same Cluster was financially impacted by the same withdrawn Interconnection Customer, TVA will apply the relevant withdrawn Interconnection Customer's Withdrawal Penalty funds that have not already been applied to study costs to reduce the financial impact to each Interconnection Customer based on each Interconnection Customer's proportional share of the financial impact, as determined by either the Proportional Impact Method if it is a System Network Upgrade or on a per capita basis if it is a Substation Network Upgrade, as described under Section 4.2.1 of this LGIP.

3.7.1.2.3(b) Impact Calculation for Withdrawals in the Same Cluster After the Cluster Study Process.

If an Interconnection Customer withdraws after it executes its LGIA, TVA will distribute in the following manner the remaining Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment with the withdrawn Interconnection Customer for one or more Network Upgrades.

TVA will determine the financial impact on the remaining Interconnection Customers in the same Cluster within thirty (30) Calendar Days after the withdrawal occurs. TVA will determine that financial impact by comparing the Network Upgrade cost funding obligations Interconnection Customers shared with the withdrawn Interconnection Customer before the withdrawal

of Interconnection Customer and after the withdrawal of Interconnection Customer. If that comparison indicates an increase in Network Upgrade costs for an Interconnection Customer, TVA shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds to the increased costs each impacted Interconnection Customer in the same Cluster experienced associated with such Network Upgrade(s) in proportion to each Interconnection Customer's increased cost assignment, as determined by TVA.

3.7.1.2.4 Amending LGIA to Apply Reductions to Interconnection Customer's Assigned Network Upgrade Costs and Associated Financial Security Requirement with Respect to Withdrawals in the Same Cluster.

Within thirty (30) Calendar Days of all Interconnection Customers in the same Cluster having: (1) withdrawn or been deemed withdrawn; or (2) executed an LGIA, TVA must perform the calculations described in Section 3.7.1.2.3(a) of this LGIP and provide such Interconnection Customers with an amended LGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 11.5 of the pro forma LGIA, due from Interconnection Customer to TVA.

Where an Interconnection Customer executes the LGIA and is later withdrawn or its LGIA is terminated, TVA must, within thirty (30) Calendar Days of such withdrawal or termination, perform the calculations described in Section 3.7.1.2.3(b) of this LGIP and provide such Interconnection Customers in the same Cluster with an amended LGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 11.5 of the pro forma LGIA, due from Interconnection Customer to TVA.

Any repayment by TVA to Interconnection Customer under Article 11.4 of the pro forma

LGIA of amounts advanced for Network Upgrades after the Generating Facility achieves Commercial Operation shall be limited to Interconnection Customer's total amount of Network Upgrade costs paid and associated financial security provided to TVA under Article 11.5 of the pro forma LGIA.

3.7.1.2.5 Final Distribution of Withdrawal Penalty Funds. If Withdrawal Penalty funds remain for the Cluster after the Withdrawal Penalty funds are applied to relevant study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers, TVA will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customers in the same Cluster net of the amount of each withdrawn Interconnection Customer's Withdrawal Penalty funds applied to study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers.

3.8 Identification of Contingent Facilities.

TVA shall identify the Contingent Facilities to be provided to Interconnection Customer at the conclusion of the Cluster Study. Contingent Facilities are any facilities that are not yet in-service but are required to be in-service for the Interconnection Customer to connect and generate and are also identified for another project. Contingent Facilities may be attributed to a prior-queued cluster, a prior-queued serial project, a prior-queued transmission service request, or are part of TVA's transmission expansion plan. The Contingent Facilities are identified by TVA's Study analysis and will be identified for thermal, stability, fault, or system strength issues. Contingent Facilities will be included in the Cluster Study reports if pertinent. TVA shall also provide, upon request of 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.

An Interconnection Customer may become responsible for Contingent Facilities if certain prior-queued Interconnection Requests, transmission service requests, or expansion projects are delayed, withdrawn, or terminated. An Interconnection Customer may also become responsible for Contingent Facilities if advancement of a Contingent Facility is needed to maintain the requested In-Service Date.

3.9 [Reserved].

3.10 Resource Solicitation Cluster.

At any time, TVA may initiate a Resource Solicitation Cluster that includes valid Interconnection Requests as described in Section 3.4.2. TVA shall determine the scope of study and timeframe for the Resource Solicitation Cluster. TVA shall publicize the scope of study and timeframe to initiate the Resource Solicitation Cluster at a minimum of thirty Calendar Days prior to the initiation of the Resource Solicitation Cluster study process. The timeline shall indicate the close of the Customer Engagement Window for that Resource Solicitation Cluster.

TVA will administer the Resource Solicitation Cluster separately from any Cluster Study Process. The Resource Solicitation Cluster shall respect Queue Position and shall be studied as its own Cluster based upon a designated Queue Number where TVA, in its role of resource planner, acts as the authorized representative for Interconnection Customer(s) in connection with a Resource Solicitation Cluster. TVA shall study the Cluster based upon the Queue Number of the Resource Solicitation Cluster relative to the Queue Position of all other Interconnection Requests/Clusters.

After TVA completes the Cluster Study, the results will be posted on TVA's OASIS consistent with the posting of other study results.

After receipt of the Cluster Study Report, TVA, in its role of resource planner, shall select Generating Facilities in the Resource Solicitation Process for the commencement of any Facilities Study associated with Generating Facilities selected in the Resource Solicitation Process. Once a Generating Facility is rejected in a Resource Solicitation Cluster Process administered separately from a Cluster Study, the Generating Facility shall lose the Queue Position it held as part of the Resource Solicitation Process.

Section 4. Interconnection Request Evaluation Process.

Once an Interconnection Customer has submitted a valid Interconnection Request pursuant to Section 3.4 of this LGIP, such Interconnection Request shall become part of TVA's interconnection queue for further processing pursuant to the following procedures.

4.1 Queue Position.

4.1.1 Assignment of Queue Position.

TVA shall assign a Queue Position as follows: the Queue Position within the queue shall be assigned based upon the date and time of receipt of all items required pursuant to the

provisions of Section 3.4 of this LGIP. All Interconnection Requests submitted and validated in a single Cluster Request Window shall be considered equally queued.

4.1.2 Higher Queue Position.

A higher Queue Position assigned to an Interconnection Request is one that has been placed “earlier” in the queue in relation to another Interconnection Request that is assigned a lower Queue Position.

All requests studied in a single Cluster shall be considered equally queued. Interconnection Customers that are part of Clusters initiated earlier in time than an instant queue shall be considered to have a higher Queue Position than Interconnection Customers that are part of Clusters initiated later than an instant queue.

4.2. General Study Process.

Interconnection Studies performed within the Cluster Study Process 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 and consistent with Good Utility Practice.

TVA may use subgroups in the Cluster Study Process. In all instances in which TVA elects to use subgroups in the Cluster Study Process, TVA must publish the criteria used to define and determine subgroups on its OASIS or public website.

4.2.1 Cost Allocation for Interconnection Facilities and Network Upgrades.

(1) For Network Upgrades identified in Cluster Studies, TVA shall calculate each Interconnection Customer’s share of the costs as follows:

(a) Substation Network Upgrades, including all switching stations, shall be allocated first per capita to Interconnection Facilities interconnecting to the substation at the same voltage level, and then per capita to each Generating Facility sharing the Interconnection Facility.

(b) System Network Upgrades shall be allocated based on the proportional impact of each individual Generating Facility in the Cluster Study on the need for a specific System Network Upgrade. TVA will post on OASIS the cost allocation methodology for System Network

Upgrades which will include a method for the various categories of facilities, including system protection facilities, lines and transformers, voltage support, short circuit upgrades, stability upgrades, system strength upgrades, and other equipment. .

(c) An Interconnection Customer that funds Substation Network Upgrades and/or System Network Upgrades shall be entitled to transmission credits as provided in Article 11.4 of the LGIA.

(2) The costs of any needed Interconnection Facilities identified in the Cluster Study Process will be directly assigned to Interconnection Customer(s) using such facilities. Where Interconnection Customers in the Cluster agree to share Interconnection Facilities, the cost of such Interconnection Facilities shall be allocated based on the number of Generating Facilities sharing use of such Interconnection Facilities on a per capita basis (i.e., on a per Generating Facility basis), unless Parties mutually agree to a different cost sharing arrangement.

4.3 Transferability of Queue Position.

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change, and the Interconnection Customer is in full compliance with this LGIP and if applicable the LGIA, and has provided notice to TVA.

4.4 Modifications.

Interconnection Customer shall submit to TVA, 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 of this LGIP, or are determined not to be Material Modifications pursuant to Section 4.4.3 of this LGIP.

Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or TVA 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 TVA and Interconnection Customer, such acceptance not to be unreasonably withheld, TVA shall modify the Point of Interconnection prior to return of the executed Cluster Study Agreement, and Interconnection Customer shall retain its

Queue Position.

- 4.4.1** Prior to the return of the executed Cluster Study Agreement to TVA, modifications permitted under this Section shall include specifically: (a) a decrease of up to sixty percent (60%) of electrical output (MW) of the proposed project, through either (1) a decrease in plant size or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1 of this LGIP) accomplished by applying TVA-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 in the next Cluster Request Window for the purposes of cost allocation and study analysis.
- 4.4.2** Prior to the return of the executed Interconnection Facilities Study Agreement to TVA, the modifications permitted under this Section shall include specifically: (a) additional fifteen percent (15%) decrease of electrical output of the proposed project through either (1) a decrease in plant size (MW) or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying TVA-approved injection-limiting equipment; (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer; and (c) a Permissible Technological Advancement for the Large Generating Facility after the submission of the Interconnection Request. Section 4.4.6 of this LGIP specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether Interconnection Customer's proposed technological advancement under Section 4.4.2(c) of this LGIP is a Material Modification. Section 1 of this LGIP 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 of this LGIP, Interconnection Customer may first request that TVA evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, TVA 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 3.1.2 or 4.4 of this LGIP or so allowed elsewhere, shall constitute a Material Modification.

Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification. TVA shall study the addition of a Generating Facility that includes at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by Interconnection Customer, unless TVA determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions.

4.4.3.1 Interconnection Customer may request, and TVA shall evaluate, the addition to the Interconnection Request of a Generating Facility with the same Point of Interconnection indicated in the initial Interconnection Request, if the addition of the Generating Facility does not increase the requested Interconnection Service level. TVA must evaluate such modifications prior to deeming them a Material Modification, but only if Interconnection Customer submits them prior to the return of the executed Interconnection Facilities Study Agreement by Interconnection Customer to TVA. Interconnection Customers requesting that such a modification be evaluated must demonstrate the required Site Control at the time such request is made.

4.4.4 Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4 of this LGIP, TVA shall commence and perform any necessary additional studies as soon as practicable, but in no event shall TVA commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost. Any such request for modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Attachment A to Appendix 1 of this LGIP.

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. For purposes of this section, the Commercial Operation Date reflected in the initial Interconnection Request shall be used to calculate the permissible extension prior to Interconnection Customer executing an LGIA. After an LGIA is executed, the Commercial Operation Date reflected in the LGIA shall be used to calculate the permissible extension. Such cumulative extensions may not exceed three years including both extensions requested after execution of the LGIA by Interconnection Customer and those requested prior to execution of the LGIA by Interconnection Customer.

4.4.6 Technological Change Procedures

Prior to the execution of the Interconnection Facilities Study Agreement, Interconnection Customer may submit a technological advancement request so that TVA can evaluate whether the proposed technological advancement is a Permissible Technological Advancement. The technological advancement request shall include (1) revised steady-state modeling data for the Generating Facility, (2) a revised Generating Facility single-line diagram, (3) revised dynamic modeling data (as applicable), (4) any other information requested by TVA related to the proposed technological advancement and (5) a \$25,000 deposit for evaluation of the proposed technological advancement. Interconnection Customer shall pay TVA the actual cost to perform the evaluation. Upon receipt of a technological advancement request, TVA shall review the request and notify Interconnection Customer within five (5) Business Days of receipt of the request of any deficiencies with the request or any additional information needed to evaluate the technological advancement request. Interconnection Customer shall remedy any deficiencies and provide any additional requested information needed to constitute a complete and valid technological advancement request within (5) Business Days after receipt of such notice. If TVA is unable to determine if the proposed technological advancement is a Permissible Technological Advancement due to the Interconnection Customer not remedying all deficiencies and providing requested information, the proposed technological advancement will not be considered a Permissible Technological Advancement. Within thirty (30) Calendar Days of receipt of a completed technological advancement request, TVA will assess the technological advancement request and notify Interconnection Customer whether the proposed technological advancement is a Permissible Technological Advancement. In determining whether a proposed technological advancement is a Permissible Technological Advancement, TVA shall represent the new equipment in the Interconnection Study models and evaluate whether the proposed technological advancement has a material impact on the Transmission System with regard to short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response. If TVA determines that the proposed technological advancement is a Permissible Technological Advancement, the technological advancement will be incorporated into the current Interconnection Request, and the Interconnection Study reports may be updated if appropriate. If TVA determines that the proposed technological advancement is not a Permissible Technological Advancement, TVA shall provide a written explanation to the Interconnection Customer regarding why the proposed technological advancement is not a

Permissible Technological Advancement. In such cases, Interconnection Customer can choose to withdraw the proposed technological advancement and maintain its Interconnection Request or withdraw its Interconnection Request in accordance with the LGIP and submit a new Interconnection Request with the proposed technological advancement. If Interconnection Customer withdraws the proposed technological advancement and maintains the Interconnection Request, TVA will complete the Interconnection Request without including any proposed technological advancement not considered a Permissible Technological Advancement. Interconnection Customer may submit a proposed technological advancement not considered a Permissible Technological Advancement in accordance with Section 4.4

Section 5. Procedures for Interconnection Requests Submitted Prior to Effective Date of the Cluster Study Revisions

5.1 Procedures for Transitioning to the Cluster Study Process

5.1.1 Any Interconnection Customer assigned a Queue Position as of thirty (30) Calendar Days after the posting date of this LGIP shall retain that Queue Position subject to the requirements in Sections 5.1.1.1 and 5.1.1.2 of this LGIP. Any Interconnection Customer that fails to meet these requirements shall have its Interconnection Request deemed withdrawn by TVA pursuant to Section 3.7 of this LGIP. In such case, TVA shall not assess Interconnection Customer any Withdrawal Penalty.

Any Interconnection Customer that has received a draft Interconnection Facilities Study Report within thirty (30) calendar days of the posting of this LGIP shall be tendered an LGIA pursuant to Section 11 of this LGIP, and shall not be required to enter this transition process.

5.1.1.1 Transitional Serial Study.

An Interconnection Customer that has been tendered an Interconnection Facilities Study Agreement as of thirty (30) Calendar Days after the posting date of this LGIP may opt to proceed with an Interconnection Facilities Study. TVA shall tender each eligible Interconnection Customer a Transitional Serial Interconnection Facilities Study Agreement, in the form of Appendix 8 to this LGIP, no later than the fifteen (15) days after the effective date of this LGIP. TVA shall proceed with the Interconnection Facilities Study, provided that Interconnection Customer: (1) meets each of the following requirements; and (2) executes the Transitional

Serial Interconnection Facilities Study Agreement within sixty (60) Calendar Days of the date the Transitional Serial Interconnection Facilities Study Agreement is tendered. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without penalty. TVA will commence the Transitional Serial Interconnection Facilities Study at the conclusion of this sixty (60) Calendar Day period. Transitional Serial Interconnection Facilities Study costs shall be allocated according to the method described in Section 13.3 of this LGIP.

All of the following must be included when an Interconnection Customer returns the Transitional Serial Interconnection Facilities Study Agreement:

(1) A deposit equal to one hundred percent (100%) of the costs identified for all Interconnection Facilities and Network Upgrades in Interconnection Customer's system impact study report. If Interconnection Customer does not withdraw, the deposit shall be trued up to actual costs and security requirements once they are known and applied to future construction costs described and as set forth in Interconnection Customer's executed LGIA. Any amounts in excess of the actual construction costs shall be returned to Interconnection Customer in accordance with the pro forma LGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial Operation, TVA shall refund the remaining deposit after the final invoice for study costs and Transitional Withdrawal Penalty is settled, or if the LGIA has been executed, as provided in the LGIA. The deposit shall be in the form of an irrevocable letter of credit, cash, or other form of security that is acceptable to TVA, where cash deposits shall be treated according to Section 3.7 of this LGIP.

(2) Exclusive Site Control for 100% of the proposed Generating Facility.

TVA shall conduct each Transitional Serial Interconnection Facilities Study and issue the associated Transitional Serial Interconnection Facilities Study Report within one hundred fifty (150) Calendar Days of the Interconnection Customer execution deadline of the Transitional Serial Interconnection Facilities Study Agreement.

After TVA issues each Transitional Interconnection Facilities Study Report, Interconnection Customer shall proceed pursuant to Section 11 of this LGIP. If Interconnection Customer withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, a Transitional Withdrawal Penalty shall be imposed on Interconnection Customer equal to nine (9) times Interconnection Customer's total study cost incurred since entering TVA's interconnection queue (including the cost of studies conducted under Section 5 of this LGIP).

5.1.1.2

Transitional Cluster Study.

An Interconnection Customer with an assigned Queue Position as of thirty (30) Calendar Days after the posting date of this LGIP may opt to proceed with a Transitional Cluster Study. TVA shall tender each eligible Interconnection Customer a Transitional Cluster Study Agreement, in the form of Appendix 7 to this LGIP, no later than the fifteen (15) days after the effective date of this LGIP. TVA shall proceed with the Transitional Cluster Study that includes each Interconnection Customer that: (1) meets each of the following requirements listed as (1) – (3) in this section; and (2) executes the Transitional Cluster Study Agreement within sixty (60) Calendar Days of the date the Transitional Cluster Study Agreement is tendered. All Interconnection Requests that enter the Transitional Cluster Study shall be considered to have an equal Queue Position that is lower than Interconnection Customer(s) proceeding with Transitional Serial Interconnection Facilities

Study. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without penalty. TVA will commence the Transitional Cluster Study at the conclusion of this sixty (60) Calendar Day period. All identified TVA's Interconnection Facilities and Network Upgrade costs shall be allocated according to Section 4.2.1 of this LGIP. Transitional Cluster Study costs shall be allocated according to the method described in Section 13.3 of this LGIP.

Interconnection Customer may make a one-time extension to its requested Commercial Operation Date upon entry into the Transitional Cluster Study, where any such extension shall not result in a Commercial Operation Date later than a date designated by TVA.

All of the following must be included when an Interconnection Customer returns the Transitional Cluster Study Agreement:

- (1) A selection of either Energy Resource Interconnection Service or Network Resource Interconnection Service.
- (2) A deposit of five million dollars (\$5,000,000) in the form of an irrevocable letter of credit, cash, or other form of security that is acceptable to TVA, where cash deposits will be treated according to Section 3.7 of this LGIP. If Interconnection Customer does not withdraw, the deposit shall be reconciled with and applied towards future construction costs and security requirements described and as set forth in the LGIA. Any amounts in excess of the actual construction costs shall be returned to Interconnection Customer as set forth in the pro forma LGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial Operation, TVA must refund the remaining deposit once the final invoice for study costs and Transitional Withdrawal Penalty is settled, or if the LGIA has been executed, as

provided in the LGIA.

(3) Exclusive Site Control for 100% of the proposed Generating Facility.

TVA shall conduct the Transitional Cluster Study and issue both an associated interim Transitional Cluster Study Report and an associated final Transitional Cluster Study Report. The interim Transitional Cluster 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
- TVA's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.

In addition to the information provided in the interim Transitional Cluster Study Report, the final Transitional Cluster Study Report shall provide a description of, estimated cost of, and schedule for construction of TVA's Interconnection Facilities and Network Upgrades required to interconnect the Generating Facility to the Transmission System that resolve issues identified in the interim Transitional Cluster Study Report.

The interim and final Transitional Cluster Study Reports shall be issued within two hundred forty (240) and three hundred ninety (390) Calendar

Days of the Interconnection Customer execution deadline for the Transitional Cluster Study Agreement, respectively, and shall be posted on TVA's OASIS consistent with the posting of other study results pursuant to Section 3.5.1 of this LGIP. Interconnection Customer shall have thirty (30) Calendar Days to comment on the interim Transitional Cluster Study Report, once it has been received.

After TVA issues the final Transitional Cluster Study Report, Interconnection Customer shall proceed pursuant to Section 11 of this LGIP. If Interconnection Customer withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, a Transitional Withdrawal Penalty will be imposed on Interconnection Customer equal to nine (9) times Interconnection Customer's total study cost incurred since entering TVA's interconnection queue (including the cost of studies conducted under Section 5 of this LGIP).

5.1.2 Transmission Providers with Existing Cluster Study Processes or Currently in Transition.

As TVA is conducting a transition study process under Section 5.1.1, this Section 5.1.2 does not apply. If TVA is not conducting a transition process under Section 5.1.1, it will continue processing Interconnection Requests under its current Cluster Study Process. Within sixty (60) Calendar Days of the effective date of this LGIP, Interconnection Customers that have not executed an LGIA must meet the requirements of Sections 3.4.2, 7.5, or 8.1 of this LGIP, based on Interconnection Customer's Queue Position.

Any Interconnection Customer that fails to meet these requirements within sixty (60) Calendar Days of the effective date of this LGIP shall have its Interconnection Request deemed withdrawn by TVA pursuant to Section 3.7 of this LGIP. In such case, TVA shall not assess Interconnection Customer any Withdrawal Penalty.

5.2 New Transmission Provider.

If TVA 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. TVA shall coordinate with the successor transmission provider to complete any Interconnection Study, as appropriate, that TVA has begun but has not completed. If TVA has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not either executed the LGIA, unless otherwise provided, Interconnection Customer must complete negotiations with the successor transmission provider.

Section 6. Interconnection Information Access

6.1 Publicly Posted Interconnection Information.

TVA shall maintain and make publicly available: (1) an interactive visual representation of the estimated incremental injection capacity (in megawatts) available at each point of interconnection in TVA's footprint under N-1 conditions, and (2) a table of metrics concerning the estimated impact of a potential Generating Facility on TVA's Transmission System based on a user-specified addition of a particular number of megawatts at a particular voltage level at a particular point of interconnection. At a minimum, for each transmission facility impacted by the user-specified megawatt addition, the following information will be provided in the table: (1) the distribution factor; (2) the megawatt impact (based on the megawatt values of the proposed Generating Facility and the distribution factor); (3) the percentage impact on each impacted transmission facility (based on the megawatt values of the proposed Generating Facility and the facility rating); (4) the percentage of power flow on each impacted transmission facility before the injection of the proposed project; (5) the percentage power flow on each impacted transmission facility after the injection of the proposed Generating Facility. These metrics must be calculated based on the power flow model of the Transmission System with the transfer simulated from each point of interconnection to the whole TVA's footprint (to approximate Network Resource Interconnection Service), and with the incremental capacity at each point of interconnection decremented by the existing and queued Generating Facilities (based on the existing or requested interconnection service limit of the generation). These metrics must be updated within thirty (30) Calendar Days after the completion of each Cluster Study and Cluster Restudy. This information must be publicly posted, without a password or a fee. The website will define all underlying assumptions, including the name of the most recent Cluster Study or Restudy used in the Base Case.

Section 7. Cluster Study

7.1 Cluster Study Agreement.

No later than five (5) Business Days after the close of a Cluster Request Window, TVA shall tender to each Interconnection Customer that submitted a valid Interconnection Request a Cluster Study Agreement in the form of Appendix 2 to this LGIP. The Cluster Study Agreement shall require Interconnection Customer to compensate TVA for the actual cost, including applicable overheads, of the Cluster Study pursuant to Section 13.3 of this LGIP. The specifications, assumptions, or other provisions in the appendices of the Cluster Study Agreement provided pursuant to Section 7.1 of this LGIP shall be subject to change by TVA following the conclusion of the Scoping Meeting.

7.2 Execution of Cluster Study Agreement.

Interconnection Customer shall execute the Cluster Study Agreement and deliver the executed Cluster Study Agreement to TVA no later than the close of the Customer Engagement Window.

If Interconnection Customer does not provide all required technical data when it delivers the Cluster Study Agreement, TVA shall notify Interconnection Customer of the deficiency within five (5) Business Days of the receipt of the executed Cluster 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 Cluster Study Agreement or study deposit.

7.3 Scope of Cluster Study.

The Cluster Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The Cluster 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 Cluster 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.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall use the level of Interconnection Service requested by Interconnection Customers in the Cluster, except where TVA otherwise determines that it must study the full Generating Facility Capacity due to safety or reliability concerns.

The Cluster Study will consist of power flow, stability, and short circuit analyses, the results of which are documented in a single Cluster Study Report, as applicable. At the conclusion of the Cluster Study, TVA shall issue a Cluster Study Report. The Cluster Study Report will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to providing the requested Interconnection Service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The Cluster Study Report shall identify the Interconnection Facilities and Network Upgrades expected to be required to reliably interconnect the Generating Facilities in that Cluster Study at the requested Interconnection Service level and shall provide non-binding cost estimates for required Network Upgrades. The Cluster Study Report shall identify each Interconnection Customer's estimated allocated costs for Interconnection Facilities and Network Upgrades pursuant to the method in Section 4.2.1 of this LGIP. TVA shall hold an open stakeholder meeting pursuant to Section 7.4 of this LGIP.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall use operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of a Generating Facility that includes at least one electric storage resource as requested by Interconnection Customer, unless TVA determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions.

TVA may require the inclusion of control technologies sufficient to limit the operation of the Generating Facility per the operating assumptions as set forth in the Interconnection Request and to respond to dispatch instructions by TVA. As determined by TVA, Interconnection Customer may be subject to testing and validation of those control technologies consistent with Article 6 of the LGIA.

The Cluster Study shall evaluate the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. TVA shall evaluate each identified alternative transmission technology and determine whether the above technologies should be used, consistent with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations.

TVA shall include an explanation of the results of TVA's evaluation for each technology in the Cluster Study Report.

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

7.4 Cluster Study Procedures.

TVA shall coordinate the Cluster Study with any Affected System Operator that is affected by the Interconnection Request pursuant to Section 3.6 of this LGIP. TVA shall utilize existing studies to the extent practicable when it performs the Cluster Study. Interconnection Requests for a Cluster Study may be submitted only within the Cluster Request Window and TVA shall initiate the Cluster Study Process pursuant to Section 7 of this LGIP.

TVA shall complete the Cluster Study within one hundred fifty (150) Calendar Days of the close of the Customer Engagement Window.

Within ten (10) Business Days of simultaneously furnishing a Cluster Study Report to each Interconnection Customer within the Cluster, TVA shall convene a Cluster Study Report Meeting.

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

7.5 Cluster Study Restudies.

(1) Within twenty (20) Calendar Days after the Cluster Study Report Meeting, Interconnection Customer must provide the following:

(a) Demonstration of continued Site Control pursuant to Section 3.4.2(iii) of this LGIP; and

(b) An additional deposit that brings the total Commercial Readiness Deposit submitted to TVA to five percent (5%) of Interconnection Customer's Network Upgrade cost assignment

identified in the Cluster Study, rounded up to the nearest \$10,000, in the form of an irrevocable letter of credit, cash, or other form of security that is acceptable to TVA. TVA shall refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this LGIP.

Interconnection Customer shall promptly inform TVA of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this LGIP. Upon TVA determining that Interconnection Customer no longer satisfies the Site Control requirement, TVA shall notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to TVA's approval, not to be unreasonably withheld. Absent such demonstration, TVA shall deem the subject Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP.

(2) If no Interconnection Customer withdraws from the Cluster after completion of the Cluster Study or Cluster Restudy or is deemed withdrawn pursuant to Section 3.7 of this LGIP after completion of the Cluster Study or Cluster Restudy, TVA shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required.

(3) If one or more Interconnection Customers withdraw from the Cluster or are deemed withdrawn pursuant to Section 3.7 of this LGIP, TVA shall determine if a Cluster Restudy is necessary within thirty (30) Calendar Days after the Cluster Study Report Meeting. If TVA determines a Cluster Restudy is not necessary, TVA shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required and TVA shall provide an updated Cluster Study Report within thirty (30) Calendar Days of such determination and publish the Cluster Study Report or Cluster Restudy Report on OASIS.

(4) If one or more Interconnection Customers withdraws from the Cluster or is deemed withdrawn pursuant to Section 3.7 of this LGIP, and TVA determines a Cluster Restudy is necessary as a result, TVA shall notify Interconnection Customers in the Cluster and post on OASIS that a Cluster Restudy is required within thirty (30) Calendar Days after the Cluster Study Report Meeting. TVA shall continue with such restudies until TVA determines that no further restudies are required. If an Interconnection Customer withdraws or is deemed withdrawn pursuant to Section 3.7 of this LGIP during the Interconnection Facilities Study, or after other Interconnection Customers in the same Cluster have executed LGIAs and TVA determines a Cluster Restudy is necessary, the Cluster shall be restudied. If a Cluster Restudy is required due to a higher queued project withdrawing from the queue, or a modification of a

higher or equally queued project subject to Section 4.4 of this LGIP, TVA shall so notify affected Interconnection Customers in writing. Except as provided in Section 3.7 of this LGIP in the case of withdrawing Interconnection Customers, any cost of Restudy shall be borne by Interconnection Customers being restudied.

(5) The scope of any Cluster Restudy shall be consistent with the scope of an initial Cluster Study pursuant to Section 7.3 of this LGIP. TVA shall complete the Cluster Restudy within one hundred fifty (150) Calendar Days of TVA informing Interconnection Customers in the Cluster that restudy is needed. The results of the Cluster Restudy shall be combined into a single report (Cluster Restudy Report). TVA shall hold a meeting with the Interconnection Customers in the Cluster (Cluster Restudy Report Meeting) within ten (10) Business Days of simultaneously furnishing the Cluster Restudy Report to each Interconnection Customer in the Cluster Restudy.

If additional restudies are required, Interconnection Customer and TVA shall follow the procedures of this Section 7.5 of this LGIP until such time that TVA determines that no further restudies are required. TVA shall notify each Interconnection Customer within the Cluster when no further restudies are required.

Section 8. Interconnection Facilities Study

8.1 Interconnection Facilities Study Agreement.

Within five (5) Business Days following TVA notifying each Interconnection Customer within the Cluster that no further Cluster Restudy is required (per Section 7.5 of this LGIP), TVA shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 3 to this LGIP. Interconnection Customer shall compensate TVA for the actual cost, including applicable overheads, of the Interconnection Facilities Study, for which TVA will invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study beginning with the first month in which total actual costs, including applicable overheads, incurred by TVA in performing the Interconnection Facilities Study exceed the study deposit. Within five (5) Business Days following the Cluster Report Meeting or Cluster Restudy Report Meeting if applicable, TVA shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study. Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to TVA within thirty (30) Calendar Days after its receipt, together with:

- (1) any required technical data;
- (2) Demonstration of one-hundred percent (100%) Site Control or demonstration of a regulatory limitation and applicable deposit in lieu of Site Control provided to TVA in accordance with Section 3.4.2 of this LGIP; and
- (3) An additional deposit that brings the total Commercial Readiness Deposit submitted to TVA to ten percent (10%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study or Cluster Restudy, if applicable, rounded up to the nearest \$10,000, in the form of an irrevocable letter of credit, cash, or other form of security that is acceptable to TVA. TVA shall refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this LGIP.

Interconnection Customer shall promptly inform TVA of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this LGIP. Upon TVA determining separately that Interconnection Customer no longer satisfies the Site Control requirement, TVA shall notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to TVA's approval, not to be unreasonably withheld. Absent such demonstration, TVA shall deem the subject Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP.

8.2 Scope of Interconnection Facilities Study.

The Interconnection Facilities Study shall be specific to each Interconnection Request and performed on an individual, i.e., non-clustered, basis. The Interconnection Facilities Study shall specify and provide a non-binding estimate of the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study Report (and any associated restudies) in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facilities 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 TVA'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 Interconnection Facilities Study will also identify any potential control equipment for (1) requests for Interconnection Service that are lower than the Generating

Facility Capacity, and/or (2) requests to study a Generating Facility that includes at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect its proposed charging behavior, as requested by Interconnection Customer, unless TVA determines that Good Utility Practice, including Applicable Reliability Standards, otherwise require the use of different operating assumptions.

8.3 Interconnection Facilities Study Procedures.

TVA shall coordinate the Interconnection Facilities Study with any Affected System Operator pursuant to Section 3.6 of this LGIP. TVA shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. TVA shall complete the study and issue a draft Interconnection Facilities Study Report to Interconnection Customer within one hundred and eighty (180) Calendar Days after receipt of an executed Interconnection Facilities Study Agreement.

At the request of Interconnection Customer or at any time TVA determines that it will not meet the required time frame for completing the Interconnection Facilities Study, TVA shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If TVA 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 Interconnection Facilities Study Report, provide written comments to TVA, which TVA shall include in completing the final Interconnection Facilities Study Report.

TVA shall issue the final Interconnection Facilities Study Report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. TVA may reasonably extend such fifteen (15) Business Day period upon notice to Interconnection Customer if Interconnection Customer's comments require TVA to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Study Report. Upon request, TVA shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

8.4 Meeting with TVA.

Within ten (10) Business Days of providing a draft Interconnection Facilities Study Report to Interconnection Customer, TVA and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

8.5 Restudy.

If restudy of the Interconnection Facilities Study is required due to a higher or equally queued project withdrawing from the queue or a modification of a higher or equally queued project pursuant to Section 4.4 of this LGIP, TVA shall so notify Interconnection Customer in writing. TVA shall endeavor to complete such restudy within sixty (60) Calendar Days from the date of notice.

Except as provided in Section 3.7 of this LGIP in the case of withdrawing Interconnection Customers, any cost of restudy shall be borne by Interconnection Customer being restudied.

Section 9. Affected System Study.

9.1 Applicability.

This Section 9 outlines the duties of TVA when it receives notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact TVA's Transmission System.

9.2 Response to Notifications.

9.2.1 Response to Initial Notification.

When TVA receives initial notification either following the Cluster Study or a Cluster Restudy that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact TVA's Transmission System, TVA must respond in writing within twenty (20) Business Days whether it intends to conduct an Affected System Study.

By fifteen (15) Business Days after TVA responds with its affirmative intent to conduct an Affected System Study, TVA shall share with Affected System Interconnection Customer(s) and the Affected System Interconnection Customer's host transmission provider a non-binding good faith estimate of the cost and the schedule to complete the Affected System Study.

9.2.2 Response to Notification of Cluster Restudy.

Within five (5) Business Days of receipt of notification of Cluster Restudy, TVA will send written notification to Affected System Interconnection Customer(s) involved in the Cluster Restudy and the host transmission provider that TVA intends to delay a planned or in-progress Affected System Study until after completion of the Cluster Restudy. If TVA decides to delay the Affected System Study, it is not

required to meet its obligations under Section 9 of this LGIP until the time that it receives notification from the host transmission provider that the Cluster Restudy is complete. If TVA decides to move forward with its Affected System Study despite the Cluster Restudy, then it must meet all requirements under Section 9 of this LGIP.

9.3 Affected System Queue Position.

TVA must assign an Affected System Queue Position to Affected System Interconnection Customer(s) that require(s) an Affected System Study. Such Affected System Queue Position shall be assigned based upon the date of execution of the Affected System Study Agreement. Relative to TVA's Interconnection Customers, this Affected System Queue Position shall be higher-queued than any Cluster that has not yet begun its Cluster Study and shall be lower-queued than any Cluster that has a Cluster Study in progress or has already received its Cluster Study Report.

Consistent with Section 9.7 of this LGIP, TVA shall study the Affected System Interconnection Customer(s) via Clustering, and all Affected System Interconnection Customers studied in the same Cluster under Section 9.7 of this LGIP shall be equally queued. For Affected System Interconnection Customers that are equally queued, the Affected System Queue Position shall have no bearing on the assignment of Affected System Network Upgrades identified in the applicable Affected System Study. The costs of the Affected System Network Upgrades shall be allocated among the Affected System Interconnection Customers in accordance with Section 9.9 of this LGIP.

9.4 Affected System Study Agreement/Multiparty Affected System Study Agreement.

Unless otherwise agreed, TVA shall provide to Affected System Interconnection Customer(s) an Affected System Study Agreement/Multiparty Affected System Study Agreement, in the form of Appendix 9 or Appendix 10 to this LGIP, as applicable, within ten (10) Business Days of TVA sharing the schedule for the Affected System Study per Section 9.2.1 of this LGIP.

Upon Affected System Interconnection Customer(s)' receipt of the Affected System Study Report, Affected System Interconnection Customer(s) shall compensate TVA for the actual cost of the Affected System Study. Any difference between the study deposit and the actual cost, including applicable overheads, of the Affected System Study shall be paid by or refunded to the Affected System Interconnection Customer(s). Any invoices for the Affected System Study shall include the cost, including applicable overheads, of the study. Affected System Interconnection Customer(s) shall pay any excess costs beyond the already-paid Affected System Study deposit or be reimbursed for any

costs collected over the actual cost, including applicable overheads, of the Affected System Study within thirty (30) Calendar Days of receipt of an invoice thereof. If Affected System Interconnection Customer(s) fail to pay such undisputed costs within the time allotted, it shall lose its Affected System Queue Position. TVA shall notify Affected System Interconnection Customer's host transmission provider of such failure to pay.

9.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement.

Affected System Interconnection Customer(s) shall execute the Affected System Study Agreement/Multiparty Affected System Study Agreement, deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement to TVA, and provide the Affected System Study deposit within ten (10) Business Days of receipt. If TVA notifies Affected System Interconnection Customer(s) that it will delay the Affected System Study pursuant to Section 9.2.2 of this LGIP, Affected System Interconnection Customer(s) are neither required to execute and return the previously tendered Affected System Study/Multiparty Affected System Study Agreement nor provide the Affected System Study deposit for the previously tendered Affected System Study/Multiparty Affected System Study Agreement.

If Affected System Interconnection Customer does not provide all required technical data when it delivers the Affected System Study Agreement/Multiparty Affected System Study Agreement, TVA shall notify the deficient Affected System Interconnection Customer, as well as the host transmission provider with which Affected System Interconnection Customer seeks to interconnect, of the technical data deficiency within five (5) Business Days of the receipt of the executed Affected System Study Agreement/Multiparty Affected System Study Agreement and the deficient Affected System Interconnection Customer shall cure the technical deficiency within ten (10) Business Days of receipt of the notice: provided, however, that such deficiency does not include failure to deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement or deposit for the Affected System Study Agreement/Multiparty Affected System Study Agreement. If Affected System Interconnection Customer does not cure the technical data deficiency within the cure period or fails to execute the Affected System Study Agreement/Multiparty Affected System Study Agreement or provide the deposit, the Affected System Interconnection Customer shall lose its Affected System Queue Position.

9.6 Scope of Affected System Study.

The Affected System Study shall evaluate the impact that any Affected System Interconnection Customer's proposed interconnection to another transmission provider's transmission system will have on the reliability of TVA's Transmission System. The Affected System Study shall consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Affected System Network Upgrades associated with such higher-queued Interconnection Request) that, on the date the Affected System Study is commenced: (i) are directly interconnected to TVA's Transmission System; (ii) are directly interconnected to another transmission provider's transmission system and may have an impact on Affected System Interconnection Customer's interconnection request; (iii) have a pending higher-queued Interconnection Request to interconnect to TVA's Transmission System; and (iv) have no queue position but have executed an LGIA. TVA has no obligation to study impacts of Affected System Interconnection Customers of which it is not notified.

The Affected System Study shall consist of a power flow, stability, and short circuit analysis. The Affected System Study Report will: state the assumptions upon which it is based; state the results of the analyses; and provide the potential impediments to Affected System Interconnection Customer's receipt of interconnection service on its host transmission provider's transmission system, 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 Affected System Network Upgrades, the Affected System Study shall consider the level of interconnection service requested in megawatts by Affected System Interconnection Customer, unless otherwise required to study the full generating facility capacity due to safety or reliability concerns. The Affected System Study Report shall provide a list of facilities that are required as a result of Affected System Interconnection Customer's proposed interconnection to another transmission provider's system, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. The Affected System Study may consist of a system impact study, a facilities study, or some combination thereof.

9.7 Affected System Study Procedures.

TVA shall use Clustering in conducting the Affected System Study and shall use existing studies to the extent practicable, when multiple Affected System Interconnection Customers that are part of a single Cluster may cause the need for Affected System Network Upgrades. TVA shall complete the Affected System Study and provide the Affected System Study Report to Affected System Interconnection Customer(s) and the host transmission provider with whom interconnection has been requested within one hundred fifty (150) Calendar Days after the receipt

of the Affected System Study Agreement and deposit.

At the request of Affected System Interconnection Customer, TVA shall notify Affected System Interconnection Customer as to the status of the Affected System Study. If TVA is unable to complete the Affected System Study within the requisite time period, it shall notify Affected System Interconnection Customer(s), as well as the transmission provider with which Affected System Interconnection Customer seeks to interconnect, and shall provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, TVA shall provide Affected System Interconnection Customer(s) with all supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Affected System Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

TVA must study an Affected System Interconnection Customer using the Energy Resource Interconnection Service modeling standard used for Interconnection Requests on its own Transmission System, regardless of the level of interconnection service that Affected System Interconnection Customer is seeking from the host transmission provider with whom it seeks to interconnect.

9.8 Meeting with TVA.

Within ten (10) Business Days of providing the Affected System Study Report to Affected System Interconnection Customer(s), TVA and Affected System Interconnection Customer(s) shall meet to discuss the results of the Affected System Study.

9.9 Affected System Cost Allocation.

TVA shall allocate Affected System Network Upgrade costs identified during the Affected System Study to Affected System Interconnection Customer(s) using a proportional impact method, consistent with Section 4.2.1(1)(b) of this LGIP.

9.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement.

TVA shall tender to Affected System Interconnection Customer(s) an Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, as applicable, in the form of Appendix 11 or 12 to this LGIP, within thirty (30) Calendar Days of providing the Affected System Study Report. Within ten (10) Business Days of the receipt of the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, the Affected System Interconnection Customer(s) must execute the agreement. TVA shall execute the agreement within five (5)

Business Days after receiving direction from Affected System Interconnection Customer(s). Affected System Interconnection Customer's failure to execute the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement shall result in the loss of its Affected System Queue Position.

9.11 Restudy.

If restudy of the Affected System Study is required, TVA shall notify Affected System Interconnection Customer(s) in writing within thirty (30) Calendar Days of discovery of the need for restudy. TVA shall endeavor to complete such restudy within sixty (60) Calendar Days from the date of notice. Any cost of restudy shall be borne by the Affected System Interconnection Customer(s) being restudied.

Section 10. Optional Interconnection Study

10.1 Optional Interconnection Study Agreement.

On or after the date when Interconnection Customer receives Cluster Study results, Interconnection Customer may request, and TVA shall perform a reasonable number of Optional Interconnection Studies. The request shall describe the assumptions that Interconnection Customer wishes TVA to study within the scope described in Section 10.2 of this LGIP. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, TVA shall provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 4.

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) TVA's estimate of the cost of the Optional Interconnection Study. To the extent known by TVA, such estimate shall include any costs expected to be incurred by any Affected System Operator whose participation is necessary to complete the Optional Interconnection Study. Notwithstanding the above, TVA 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 \$25,000 deposit to TVA.

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 TVA'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. TVA 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. TVA 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 TVA within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study Agreement. TVA 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 TVA 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, including applicable overheads, of the study shall be paid to TVA or refunded to Interconnection Customer, as appropriate. Upon request, TVA shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

Section 11. Standard Large Generator Interconnection Agreement (LGIA)

11.1 Tender.

Interconnection Customer shall tender comments on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Within thirty (30) Calendar Days after the final Interconnection Facilities Study Report is delivered, TVA shall tender a draft LGIA, together with draft appendices. The draft LGIA shall be in

the form of TVA's standard form LGIA, which is in Appendix 5. Interconnection Customer shall execute and return the LGIA and completed draft appendices within thirty (30) Calendar Days, unless (1) the sixty (60) Calendar Day negotiation period under Section 11.2 of this LGIP has commenced, or (2) LGIA execution has been delayed to await the Affected System Study Report pursuant to Section 11.2.1 of this LGIP.

11.2 Negotiation.

Notwithstanding Section 11.1 of this LGIP, at the request of Interconnection Customer, TVA shall begin negotiations with Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. TVA 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 draft LGIA. 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 of this LGIP or initiate Dispute Resolution procedures pursuant to Section 13.5 of this LGIP. 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 LGIA or initiated Dispute Resolution procedures pursuant to Section 13.5 of this LGIP within sixty (60) Calendar Days of tender of draft LGIA, it shall be deemed to have withdrawn its Interconnection Request. TVA shall provide to Interconnection Customer a final LGIA within fifteen (15) Business Days after the completion of the negotiation process.

11.2.1 Delay in LGIA Execution to Await Affected System Study Report.

If Interconnection Customer has not received its Affected System Study Report from the Affected System Operator prior to the date that it would be required to execute its LGIA pursuant to Section 11.1 of this LGIP, TVA shall, upon request of Interconnection Customer, extend this deadline to thirty (30) Calendar Days after Interconnection Customer's receipt of the Affected System Study Report. If Interconnection Customer, after delaying LGIA execution to await Affected System Study Report, decides to proceed to LGIA execution without those results, it may notify TVA of its intent to proceed with LGIA execution pursuant to Section 11.1 of this LGIP. If TVA determines that further delay to the LGIA execution date would cause a material impact on the cost or timing of an equal- or

lower-queued Interconnection Customer, TVA must notify Interconnection Customer of such impacts and set the deadline to execute the LGIA to thirty (30) Calendar Days after such notice is provided.

11.3 Execution.

Simultaneously with submitting the executed LGIA to TVA, Customer shall provide TVA with the following: (1) demonstration of continued Site Control pursuant to Section 8.1(2) of this LGIP; and (2) the LGIA Deposit identified in the draft LGIA. The requirements regarding financial security set forth in Article 11.5 of the pro forma LGIA apply to all financial security provided by Interconnection Customer pursuant to this LGIP. TVA shall use LGIA Deposit as (or as a portion of) Interconnection Customer's security required under LGIA Article 11.5. Interconnection Customer may not request to suspend its LGIA, and if it does so, the Interconnection Request will be deemed withdrawn pursuant to Section 3.7 of this LGIP.

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 (unless such milestone is inapplicable due to the characteristics of the Generating Facility): (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 (or comparable evidence) for the sale of electric energy or capacity from the Large Generating Facility; or (v) application for an air, water, or land use permit. The contracts referenced in the foregoing subsections (i), (ii), (iii) and (iv) may provide for Interconnection Customer contingencies, including rights of cancellation and conditions precedent, relating to the matters set forth in Section 2.5 of this LGIP and Section 5.20 of the LGIA.

Interconnection Customer shall execute the tendered LGIA and return it to TVA.

11.4 Commencement of Interconnection Activities.

If Interconnection Customer executes the final LGIA, TVA and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA.

Section 12. Construction of TVA's Interconnection Facilities and Network Upgrades

12.1 Schedule.

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

12.2 Construction Sequencing.

12.2.1 General.

In general, the In-Service Date of an Interconnection Customer 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 TVA 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, TVA will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay TVA: (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

TVA 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 TVA 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. TVA 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. TVA 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 TVA.

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that TVA 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 TVA, in time to support such In-Service Date. Upon such request, TVA will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay TVA any associated expediting costs. Interconnection Customer shall be entitled to transmission credits, if any, for any expediting costs paid.

12.2.4 Amended Interconnection Cluster Study Report.

An Interconnection Cluster Study Report will be amended to determine the facilities necessary to support the requested In- Service Date. This amended study report 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 of this LGIP, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

13.1.2 Release of Confidential Information.

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

Confidential Information in contravention of this Section 13.1.

13.1.3

Rights.

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

13.1.4

No Warranties.

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

13.1.5

Standard of Care.

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

13.1.6

Order of Disclosure.

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of the LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any

Confidential Information so furnished.

13.1.7

Remedies.

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

13.1.8

Disclosure to FERC, its Staff, or a State.

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

conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

- 13.1.9** Subject to the exception in Section 13.1.8 of this LGIP, 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 Balancing Authority 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** TVA shall, at Interconnection Customer’s election, destroy, in a confidential manner, or return the Confidential Information provided, at the time when such Confidential Information is no longer needed by TVA.
- 13.1.12** **FOIA.** In response to any Freedom of Information Act (FOIA) request to TVA for information received from or relating to Interconnection Customer and designated by Interconnection Customer as proprietary or confidential,

TVA shall evaluate the requested information and determine the applicability of any FOIA exemptions, including, but not limited to 5 U.S.C. § 552(b)(4). If TVA determines that a FOIA exemption may apply to the information, TVA will follow the process outlined in TVA's FOIA regulations (18 C.F.R. § 1301.8) regarding handling of Confidential commercial information. TVA will make the final determination on whether the requested information is exempt from disclosure under FOIA and shall notify Interconnection Customer accordingly in advance of release of any of the information.

13.2 Delegation of Responsibility.

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

13.3 Obligation for Study Costs.

In the event an Interconnection Customer withdraws its Interconnection Request prior to the commencement of the Cluster Study, Interconnection Customer must pay TVA the actual costs, including applicable overheads, of processing its Interconnection Request. Interconnection Customer's right to obtain any Interconnection Study data or results requires such payment, as provided in Section 3.7. In the event an Interconnection Customer withdraws after the commencement of the Cluster Study, TVA shall charge and Interconnection Customer shall pay the actual costs, including applicable overheads, of the Interconnection Studies. The costs of any interconnection study conducted on a clustered basis shall be allocated among each Interconnection Customer within the cluster as follows: (1) fifty percent (50%) of the applicable study costs to Interconnection Customers on a per capita basis based on number of Interconnection Requests included in the applicable Cluster Study or Cluster Restudy; and (2) fifty percent (50%) of the applicable study costs to Interconnection Customers on a pro rata basis based on requested megawatts included in the applicable Cluster Study or Cluster Restudy.

Any difference between the study deposit and the actual cost, including applicable overheads, of the applicable Interconnection Studies shall be paid by or refunded to, except as otherwise provided herein, to

Interconnection Customers. Any invoices for Interconnection Studies shall include the cost of each Interconnection Study. Interconnection Customers shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefor. If Interconnection Customer fails to pay such undisputed costs within the time allotted, its Interconnection Request shall be deemed withdrawn from the Cluster Study Process and will be subject to Withdrawal Penalties pursuant to Section 3.7 of this LGIP.

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 of this LGIP that TVA 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 of this LGIP within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require TVA to utilize a third party consultant reasonably acceptable to Interconnection Customer and TVA to perform such Interconnection Study under the direction of TVA. At other times, TVA 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 TVA determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with TVA'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 TVA shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. TVA shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Section 13.1 of this LGIP. In any case, such third party contract may be entered into with either Interconnection Customer or TVA at TVA'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 procedures and protocols as would apply if TVA 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. TVA 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 either Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA. Any legal or equitable action related to this Agreement shall be brought in the United States District Court for the Eastern District of Tennessee and THE PARTIES HEREBY WAIVE: (a) ANY OBJECTION TO THAT COURT’S JURISDICTION OVER THEM, OR THAT VENUE IS PROPER IN SUCH COURT, and (b) ANY RIGHT TO A JURY TRIAL. This Section is not a “Disputes” clause within the meaning of the Contract Disputes Act of 1978, 41 U.S.C. §§ 601- 613 (“CDA”), and this LGIA is not subject to the provisions of the CDA.

13.6 [Reserved].

13.7 Engineering & Procurement (‘E&P’) Agreement.

Prior to executing an LGIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and TVA shall offer Interconnection Customer, an E&P Agreement that authorizes TVA to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, TVA 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 Interconnection Customer's Queue Position or In-Service Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer and to make advance payments or provide other satisfactory security for such costs.

Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws its Interconnection Request 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, TVA may elect: (i) to take title to the equipment, in which event TVA 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.

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

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STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

("Agreement" or "LGIA") is made and entered into this ___ day of _____ 202_, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), and Tennessee Valley Authority a corporate agency and instrumentality of the United States of America created by and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended ("TVA"). Interconnection Customer and TVA each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, TVA 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 TVA 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 Standard Large Generator Interconnection Procedures.

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 TVA'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; provided, however, that TVA has no Affiliates.

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 TVA'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, including Environmental Laws.

Applicable Reliability Standards shall mean the reliability standards of the Electric Reliability Organization approved by FERC pursuant to Section 215 of the Federal Power Act, including the requirements and guidelines of the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority shall mean an entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area shall mean 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.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by TVA 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. If any performance or payment is due on a day that is not a Business Day, the performance or payment shall be due on the next Business Day.

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

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study.

Cluster Restudy shall mean a restudy of a Cluster Study conducted pursuant to Section 7.5 of the LGIP.

Cluster Study shall mean the evaluation of one or more Interconnection Requests within

a Cluster as described in Section 7 of the LGIP.

Clustering shall mean the process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Section 7 of the LGIP.

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.

Critical Energy Infrastructure Information or **CEII** shall have the meaning given such term at 18 C.F.R. §388.13(c)(1).

Contingent Facilities shall mean those unbuilt Interconnection Facilities and Network Upgrades upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

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 TVA'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 TVA'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.

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

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 TVA, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to TVA's Transmission System, TVA's Interconnection Facilities or the electric systems of others to which TVA'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 Interconnection Customer to connect its Generating Facility to TVA's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of TVA'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 TVA 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 Laws shall mean Applicable Laws or Regulations relating to pollution, protection of the environment, natural or cultural resources, including, but not limited to, the Clean Air Act, 42 U.S.C. §§ 7401 et seq., the Clean Water Act, 33 U.S.C. §§ 1151 et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., the Endangered Species Act, 16 U.S.C. §§ 1531 et seq., the National Historic Preservation Act, 16 U.S.C. §§ 470 et seq., National Environmental Policy Act, 42 U.S.C. §§ 4321 et seq., as amended, and the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., all as amended.

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 devices for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility or the aggregate net capacity of the Generating Facility where it includes more than one device for the production and/or storage for later injection of electricity.

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 or any Affiliate thereof; and provided further that Governmental Authority includes TVA.

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 Laws, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Laws.

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 Interconnection Customer reasonably expects it will be ready to begin use of TVA's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including TVA, that proposes to interconnect its Generating Facility with TVA'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 TVA's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean TVA's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to TVA'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 TVA or a third party consultant for Interconnection Customer to determine a list of facilities (including TVA's Interconnection Facilities and Network Upgrades as identified in the Cluster Study), the cost of those facilities, and the time required to interconnect the Generating Facility with TVA's Transmission System. The scope of the study is defined in Section 8 of the LGIP.

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

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the LGIP, in accordance with the LGIP, 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 TVA's Transmission System.

Interconnection Service shall mean the service provided by TVA associated with interconnecting Interconnection Customer's Generating Facility to TVA'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, TVA's LGIP.

Interconnection Study shall mean any of the following studies: the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service Study, the Interconnection Facilities Study, the Affected System Study, Optional Interconnection Study, and Material Modification assessment, described in the LGIP.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and TVA 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.

LGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed LGIA, in accordance with Section 11.3 of the LGIP.

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 an equal or later Queue Position.

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.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Transmission Service Guidelines. 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 Interconnection Customer to integrate its Large Generating Facility with TVA's Transmission System in a manner comparable to that in which TVA integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to TVA's Transmission System required at or beyond the point at which the Interconnection Facilities connect to TVA's Transmission System to accommodate the interconnection of the Large Generating Facility to TVA's Transmission System.

Network Upgrades- Customer Funded shall mean, notwithstanding anything to the contrary herein, the Network Upgrades for which Interconnection Customer is to fund the

design, procurement and construction, including Substation Network Upgrades, certain System Network Upgrades, and their operation and maintenance, as further specified in Appendix A, and the funding of which Interconnection Customer will not be reimbursed or refunded pursuant hereto.

Network Upgrades- Customer Secured shall mean, notwithstanding anything to the contrary herein, the Network Upgrades for which Interconnection Customer is to provide security for the design, procurement and construction pursuant to Sections 11.4.4.1 and 11.5, as further specified in Appendix A, and which security may be returned pursuant to Section 11.4.4.1.

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 Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 4 of the LGIP for conducting the Optional Interconnection Study.

Party or Parties shall mean TVA, Interconnection Customer or any combination thereof.

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

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

Proportional Impact Method shall mean a technical analysis conducted by TVA to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Provisional Interconnection Service shall mean Interconnection Service provided by TVA associated with interconnecting Interconnection Customer's Generating Facility to TVA'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 LGIP.

Provisional Large Generator Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between TVA

and Interconnection Customer. This agreement shall take the form of the Standard 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, established pursuant to Section 4.1 of the LGIP.

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 Interconnection Customer(s) and TVA conducted for the purpose of discussing the proposed Interconnection Request and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of the LGIP, and analyzing such information.

Site Control shall mean the exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation and a signed affidavit establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility for such purpose; or (3) any other documentation that clearly demonstrates the right of Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. TVA will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

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 TVA and 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 TVA and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, TVA must provide Interconnection Customer a written technical explanation outlining why TVA does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business 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 TVA's Standard Large Generator Interconnection Procedures.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility.

Substation Network Upgrades shall mean Network Upgrades that are required at the substation located at the Point of Interconnection.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a Standard 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 Network Upgrades shall mean Network Upgrades that are required beyond the substation located at the Point of Interconnection.

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

Transmission Service Guidelines shall mean TVA's Transmission Service Guidelines through which TVA offers open access transmission service, as amended or supplemented from time to time, or any successor guidelines or tariff.

TVA's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by TVA 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. TVA'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 TVA that are used to provide transmission service under the Transmission Service Guidelines.

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.

Withdrawal Penalty shall mean the penalty assessed by TVA to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from TVA's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of the LGIP.

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 twenty (20) 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.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by Interconnection Customer after giving TVA 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.

2.3.4 Withdrawal Penalty. Interconnection Customer shall pay TVA any applicable Withdrawal Penalties in accordance with the provisions of the LGIP.

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 TVA's Interconnection Facilities that have not yet been constructed or installed, TVA 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 TVA 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 TVA for any or all such costs of materials or equipment not taken by Interconnection Customer, TVA shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by TVA 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 TVA has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2 TVA 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 TVA 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. Cooperation

- 3.1 Interconnection Customer Cooperation.** Interconnection Customer shall reasonably cooperate with TVA and provide any information reasonably requested by TVA needed to comply with applicable regulatory requirements.

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.

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, TVA shall construct facilities identified in Attachment 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 TVA'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. 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 TVA's Transmission Service Guidelines, 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 TVA's Transmission Service Guidelines. Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of TVA'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.

4.1.2.1 The Product. TVA must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility in a manner comparable to that in which TVA integrates its generating facilities to serve native load customers. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, TVA shall construct the facilities identified in Attachment 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 Transmission Service Guidelines on TVA'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 TVA'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 Transmission Service Guidelines can utilize its network service under the Transmission Service Guidelines 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 Transmission Service Guidelines, cost responsibility for the studies and upgrades would be in accordance with the Transmission Service Guidelines.

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 TVA's Transmission System without incurring congestion costs. In the event of transmission constraints on TVA's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in TVA'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 Transmission Service Guidelines 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 TVA's Transmission Service Guidelines. 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 TVA's Transmission System of any amount of capacity and/or energy will require additional studies under the Transmission Service Guidelines be performed and that upgrades associated with such Large Generating Facility be required, 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. 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 TVA's Transmission System, such request may require additional studies and upgrades in order for TVA to grant such request.

4.2 Provision of Service. TVA 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. If such Party is TVA, then that Party shall amend the LGIA.
- 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 TVA's Transmission Service Guidelines, 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 as set forth in Appendix B, Milestones, Interconnection Customer shall request 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 it makes such request, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates requested by Interconnection Customer are not acceptable to TVA, TVA shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's requested dates are not acceptable to TVA, Interconnection Customer shall notify TVA 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. This Section 5.1 does not apply if the In-Service Date, Initial Synchronization Date and Commercial Operation Date, and the Standard Option, Alternate Option and Option to Build are addressed in the Appendix B, Milestones.

- 5.1.1 Standard Option.** TVA shall design, procure, and construct TVA's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete TVA's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. TVA shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event TVA reasonably expects that it will not be able to complete TVA's Interconnection

Facilities and Network Upgrades by the specified dates, TVA 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 requested by Interconnection Customer are acceptable to TVA, TVA shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of TVA's Interconnection Facilities by the requested dates.

If TVA subsequently fails to complete TVA's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; TVA shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages.

- 5.1.3 Option to Build.** Individual or multiple Interconnection Customers shall have the option to assume responsibility for the design, procurement and construction of TVA's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2, if the requirements of this Article 5.1.3 are met. When multiple Interconnection Customers exercise this option, multiple Interconnection Customers may agree to exercise this option provided (1) all TVA's Interconnection Facilities and Stand Alone Network Upgrades constructed under this option are only required for Interconnection Customers in a single Cluster and (2) all impacted Interconnection Customers execute and provide to TVA an agreement regarding responsibilities and payment for the construction of TVA's Interconnection Facilities and Stand Alone Network Upgrades planned to be built under this option. TVA and the individual Interconnection Customer or each of the multiple Interconnection Customers 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 requested by Interconnection Customer are not acceptable to TVA, 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 TVA's Interconnection Facilities and Stand Alone Network Upgrades if 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), TVA shall

assume responsibility for the design, procurement and construction of all facilities other than TVA's Interconnection Facilities and Stand Alone Network Upgrades if 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 TVA's Interconnection Facilities and Stand Alone Network Upgrades,

- (1) Interconnection Customer shall engineer, procure equipment, and construct TVA's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by TVA;
- (2) Interconnection Customer's engineering, procurement and construction of TVA's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which TVA would be subject in the engineering, procurement or construction of TVA's Interconnection Facilities and Stand Alone Network Upgrades;
- (3) TVA shall review and approve the engineering design, equipment acceptance tests, and the construction of TVA's Interconnection Facilities and Stand Alone Network Upgrades;
- (4) prior to commencement of construction, Interconnection Customer shall provide to TVA a schedule for construction of TVA's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from TVA;
- (5) at any time during construction, TVA shall have the right to gain unrestricted access to TVA's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;
- (6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of TVA's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by TVA, Interconnection Customer shall be obligated to remedy deficiencies in that portion of TVA's Interconnection Facilities and Stand Alone Network Upgrades;
- (7) Interconnection Customer shall indemnify TVA for claims arising from Interconnection Customer's construction of TVA'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 TVA's Interconnection

Facilities and Stand Alone Network Upgrades to TVA;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of TVA's Interconnection Facilities and Stand- Alone Network Upgrades to TVA;

(10) TVA shall approve and accept for operation and maintenance TVA'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 TVA "as- built" drawings, information, and any other documents that are reasonably required by TVA to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by TVA;

(12) If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay TVA the agreed upon amount of [\$ PLACEHOLDER] for TVA to execute the responsibilities enumerated to TVA under Article 5.2. TVA shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12;

(13) Upon receipt of notice of Interconnection Customer's election to exercise the Option to Build, TVA shall undertake all environmental reviews required by Environmental Laws according to TVA's standard practices and procedures as further provided in Section 5.20;

(14) Interconnection Customer must ensure that all activities to engineer, procure, and construct TVA's Interconnection Facilities and Stand Alone Network Upgrades are in compliance with Section 5.21 hereof; and

(15) Notwithstanding anything to the contrary herein, Interconnection Customer shall not commence any construction hereunder until TVA has provided to Interconnection Customer written notice allowing same in connection with compliance with Section 5.20.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event TVA's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by TVA pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by TVA to Interconnection Customer in the event that TVA does not complete any portion of TVA's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of TVA's Interconnection Facilities and Network Upgrades, in the

aggregate, for which TVA has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of TVA's Interconnection Facilities and Network Upgrades for which TVA has assumed responsibility to design, procure, and construct. The foregoing payments will be made by TVA to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for TVA's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of TVA's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of TVA's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for TVA's delay; (2) TVA's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer, or of any contractor or subcontractor thereof, or any other Interconnection Customer, or of any contractor or subcontractor thereof, who has entered into an LGIA with TVA or any cause beyond TVA's reasonable control or reasonable ability to cure; (3) the delay is related to any review, investigation, compliance, determination, finding or remediation relating to any Applicable Laws and Regulations, permit or Environmental Laws, including without limitation any delay arising out of compliance by either TVA or Interconnection Customer with Section 5.2(13), 5.2(15), 5.6.5 or 5.20; (4) delay is caused by outages, conservative operation alerts issued by TVA, Electric Reliability Organization alerts or directives, resource or equipment availability constraints, weather conditions, supply chain disruptions, environmental findings, Environmental Laws determinations and decisions, Force Majeure, pandemic, epidemic, stay-at-home orders, quarantine, public health emergency, civil unrest, terrorism, cyberattack, sabotage, occurrence of an incident in the nature of those simulated by NERC in its biannual GridEx exercises, vandalism, civil disobedience, or action or inaction of any third party; (5) Interconnection Customer has assumed responsibility for the design, procurement and construction of TVA's Interconnection Facilities and Stand Alone Network Upgrades; or (6) the Parties have otherwise agreed.

- 5.4 Power System Stabilizers.** Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Electric Reliability Organization. TVA 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 TVA'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 TVA's Interconnection Facilities or Network Upgrades is to be borne by TVA, then TVA shall commence design of TVA'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 TVA has completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

5.5.2 TVA 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 TVA in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement. TVA shall commence construction of TVA'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 TVA's Interconnection Facilities and Network Upgrades;

5.6.3 TVA has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones;

5.6.4 Interconnection Customer has provided security to TVA in accordance with Article 11.5 by the dates specified in Appendix B, Milestones; and

5.6.5 Notwithstanding anything to the contrary herein, TVA has no obligation to commence or continue construction until TVA has determined that Section 5.20 has been complied with.

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 TVA's

Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to TVA of such later date upon which the completion of TVA'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 TVA'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 of TVA's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, TVA 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 TVA's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. TVA 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, or System Protection Facilities TVA may execute a Provisional Large Generator Interconnection Agreement with Interconnection Customer for limited Interconnection Service at the discretion of TVA based upon an evaluation that will consider the results of available studies. TVA 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. TVA shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of the Electric Reliability Organization, 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, 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, TVA will perform a study, at 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 a frequency determined by TVA and at Interconnection Customer's expense. 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, 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, and subject to the requirements set forth in this LGIA.

5.10.1 Interconnection Customer's Interconnection Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to TVA 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. TVA shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of TVA and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 TVA's Review. TVA'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 TVA, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of TVA.

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 TVA "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. Interconnection Customer shall provide TVA specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable. Notwithstanding anything to the contrary herein, Interconnection Customer shall not commence any construction hereunder until TVA has provided to Interconnection Customer written notice allowing same in connection with compliance with Section 5.20.

- 5.11 TVA's Interconnection Facilities Construction.** TVA's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, TVA shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for TVA's Interconnection Facilities [include appropriate drawings and relay diagrams]. TVA will obtain control of TVA'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 TVA's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or TVA, TVA 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 law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove TVA's Interconnection Facilities and/or Network Upgrades upon such property.

5.14 Permits. TVA 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.

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request TVA to construct, and TVA 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 Interconnection 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, and all such construction shall be subject to Section 5.20.

5.16 [Reserved].

5.17 [Reserved].

5.18 [Reserved].

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; provided, however, that with respect to any modifications proposed by Interconnection Customer, including to generator type, rating, or capacity, GSU transformer size, rating or quantity, or reactive support modifications, Interconnection Customer shall provide TVA all information requested by TVA regarding such modification before implementing any such modification and in every case prior to commencement of the associated work. TVA may evaluate the potential impact of such modification and TVA will determine whether such modification is a Material Modification. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other 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. If TVA notifies Interconnection Customer that Interconnection

Customer's proposed modification has been determined by TVA to not be a Material Modification, Interconnection Customer shall within ninety (90) Calendar Days of such notice provide TVA with an updated Appendix 1 with corresponding updated models if Interconnection Customer elects to proceed with the modification.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, TVA shall 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, TVA'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 TVA makes to TVA's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to TVA's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under TVA's Transmission Service Guidelines. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

5.20 Environmental Reviews. TVA shall determine the environmental reviews, analyses, studies and approvals, and any associated public review processes, records of decision, and conclusions that must be completed, and the determinations to be reached, by TVA and all applicable Governmental Authorities under Applicable Laws and Regulations, including without limitation as required under Environmental Laws, and the requisite findings, results and determination, before TVA is obligated to perform, or Interconnection Customer is permitted to undertake, any ground-disturbing activities under this LGIA. TVA shall determine whether any and all of the foregoing have been completed satisfactorily and whether the results and determinations permit the same before TVA is obligated to construct and before Interconnection Customer may undertake ground-disturbing activities. Interconnection Customer acknowledges and understands that Environmental Laws review and that compliance with this Section 5.20 may entirely prevent interconnection and the construction of Interconnection Facilities, Network Upgrades, or any other structure, even following all of the foregoing reviews

and determinations. Interconnection Customer shall, at its expense, be responsible for obtaining and maintaining all Federal, state, and local permits, licenses, and approvals that are necessary to construct, operate, maintain, and modify the Generating Facility and the Interconnection Customer's Interconnection Facilities. TVA shall undertake, at Interconnection Customer's expense, the environmental reviews, analyses, studies and approvals, and any associated public review processes that TVA determines are necessary for assessing and addressing the environmental impact (under Environmental Laws). Interconnection Customer shall be responsible for the permitting, licensing, and approval of the Generating Facility and any Interconnection Customer's Interconnection Facilities. All work performed by TVA or Interconnection Customer under this Section 5.20 shall be at Interconnection Customer's expense. Any commencement and continuation of construction shall not operate as a representation or warranty by TVA that Interconnection Customer is in compliance with any Applicable Laws and Regulations, has the required permits under Environmental Laws, or that the construction of any facility or structure by Interconnection Customer is in compliance with Applicable Laws and Regulations.

5.21 Compliance with TVA Wage Rate Provisions. In all cases where Section 5.1.3 applies, this Section 5.21 applies. The wage rates of laborers and mechanics employed by Interconnection Customer and its contractors in constructing TVA's Interconnection Facilities and Stand Alone Network Upgrade shall not be less than the prevailing rate of wages for work of a similar nature in the vicinity. Interconnection Customer shall construct TVA's Interconnection Facilities and Stand Alone Network Upgrade only through the employment of one or more contractors and shall cause the contractor(s) constructing such facilities, to the extent that TVA has so committed in the agreement for construction, to become a signatory thereto (by executing the signature page) in constructing such facilities, including a pre-job meeting with the Tennessee Valley Trades and Labor Council as provided in the agreement for construction. By virtue of becoming a signatory to the agreement for construction, such contractor(s) shall agree to abide by its terms and conditions and applicable LRSs (Labor Relations Supplements), copies of which will be provided to said contractor(s), only insofar as such terms and conditions apply to the construction of such facilities. If Interconnection Customer or its contractor(s) award a subcontract of less than one-hundred-thousand dollars (\$100,000) or for specialty work, such subcontractor shall not be required to become a signatory to the agreement for construction, but shall be required to comply with the terms and provisions of form TVA 1851 and its Exhibit A. TVA may change the prevailing rates of wages provided in the agreement for construction and form TVA 1851 Exhibit A from time to time.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, TVA shall test TVA'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. All TVA requirements, including those relating to testing, required modifications, and commissioning, must be met before the Commercial Operation Date may be declared.

- 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; provided, however, that in connection with the requirements that all facilities to come in service after the Commercial Operation Date meet all TVA requirements, testing and required modifications are at Interconnection Customer's expense.
- 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 Electric Reliability Organization requirements. Unless otherwise agreed by the Parties, TVA 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 TVA's option, compensated to, the Point of Interconnection. TVA 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 TVA'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 TVA 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.** TVA shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.
- 7.4 Testing of Metering Equipment.** TVA shall inspect and test all TVA-owned Metering Equipment upon installation and at least once every five (5) years thereafter. If requested to do so by Interconnection Customer, TVA shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every five (5) years. TVA 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 TVA's failure to maintain, then TVA 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, TVA 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 TVA 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 TVA's Transmission System dispatcher or representative designated by TVA. Interconnection Customer shall provide standard voice line, dedicated voice line 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 TVA 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 TVA. 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 TVA at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by TVA 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 TVA. Instantaneous bi- directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by TVA.

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. Interconnection Customer whose Generating Facility contains at least one Variable Energy Resource shall provide meteorological and forced outage data to TVA to the extent necessary for TVA's development and deployment of power production forecasts for that class of Variable Energy Resources. Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide TVA with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide TVA with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. TVA and Interconnection Customer whose

Generating Facility contains 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. Interconnection Customer whose Generating Facility contains a Variable Energy Resource also shall submit data to TVA regarding all forced outages to the extent necessary for TVA'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 Interconnection Customer to TVA, 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 TVA. 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 Electric Reliability Organization 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 Balancing Authority Area Notification.** At least three months before Initial Synchronization Date, Interconnection Customer shall notify TVA in writing of the Balancing Authority Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Balancing Authority Area other than the Balancing Authority 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 Balancing Authority 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 Balancing Authority Area.
- 9.3 TVA Obligations.** TVA shall cause the Transmission System and TVA's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. TVA may provide operating instructions to Interconnection Customer consistent with this LGIA and TVA's operating protocols and procedures as they may change from time to time. TVA will consider changes to its operating protocols and procedures proposed by Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** Interconnection Customer shall at its own expense operate, maintain and control the 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 Balancing Authority 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.

9.5 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 TVA'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 TVA has established different requirements that apply to all synchronous generators in the Balancing Authority Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to provide dynamic reactive power with the range of 0.95 lagging to 0.95 leading at the Point of Interconnection while at the Facility's maximum net output capacity (in MW) and should be capable of injecting or absorbing the same amount of reactive power (MVAR at Point of Interconnection at 0.95 power factor and maximum net output capacity) at the Point of Interconnection while at power output level ranging from 0% (including at night) to 100% of the Facility's maximum net output capacity to provide optimum support to the voltage level specified by TVA in the voltage schedules (Appendix C Article 3). This may require the Facility to produce or absorb reactive power as appropriate to comply with such operating requirements.. 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. Capacitor banks may be used only to make up for collector system and transformer losses. This requirement shall only apply to newly interconnecting non-

synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

9.6.1.3 Special Consideration for Wind Generators

Article 9.6.1.2 applies, but only for power output ranges greater than 10% of Facility's maximum net output.

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, TVA 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). TVA's voltage schedules shall treat all sources of reactive power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. TVA 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 TVA's 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 TVA'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 Balancing Authority Area on a comparable basis.

- 9.6.3 Payment for Reactive Power.** TVA is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when TVA requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1. 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 ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved Electric Reliability Organization Applicable 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 Electric Reliability Organization Applicable 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 Electric Reliability Organization Applicable Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify TVA 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 TVA and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ± 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 Electric Reliability Organization Applicable 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 TVA 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 TVA 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 Applicable 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 a Generating Facility that contains 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 TVA 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. TVA 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 TVA for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. TVA 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. TVA 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 TVA's request to reschedule maintenance; provided, however, that, and consistently with Section 18.2 hereof, in no event shall such compensated direct costs or obligations of TVA hereunder to Interconnection Customer include consequential damages, such as lost power purchase agreement payments or compensation for deemed generation. 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, TVA may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect TVA'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, TVA shall notify Interconnection Customer by telephone or other means 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, TVA shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. TVA shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and TVA;

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 Ride Through Capability and Performance. The Transmission System is designed to automatically activate a load-shed program as required by the Electric Reliability Organization 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 Electric Reliability Organization to ensure frequency “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 TVA in accordance with Good Utility Practice. Interconnection Customer shall also implement under-voltage and over-voltage relay set points, or equivalent electronic controls, as required by the Electric Reliability Organization to ensure voltage “ride through” capability of the Transmission System. 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, over-frequency, 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. For abnormal frequency conditions and voltage conditions within the “no trip zone” defined by the standard in Appendix C Article 4.4.2 or successor mandatory ride through reliability standards, the non- synchronous Large Generating Facility must ensure that, within any physical limitations of the Large Generating Facility, its control and protection settings are configured or

set to (1) continue active power production during disturbance and post disturbance periods at pre- disturbance levels, unless reactive power priority mode is enabled or unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

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. TVA shall install at Interconnection Customer's expense any System Protection Facilities that may be required on TVA'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 TVA'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 variation, voltage imbalance, variation or flicker or current distortion as defined by TVA Transmission Planning *Power Quality Guidelines for Connecting Voltage Disturbing Systems*, IEEE Standards 519 and 1453-2015, or any applicable superseding electric industry standards. In the event of a conflict, applicable superseding electric industry standards as adopted by TVA 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 TVA'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 TVA, 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 TVA, 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 TVA'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 TVA Obligations. TVA shall maintain the Transmission System and TVA'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 TVA'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 TVA's Interconnection Facilities.** TVA shall design, procure, construct, install, own and/or control TVA's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of Interconnection Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** TVA shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless TVA elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.
- 11.4 Transmission Credits.**
- 11.4.1 Reimbursement of Amounts Advanced for Network Upgrades.** Interconnection Customer shall be entitled to a cash reimbursement, equal to the total amount paid to TVA and Affected System Operator, if any, for the Network Upgrades to be reimbursed to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under TVA's Transmission Service Guidelines and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any such reimbursement from TVA shall not include interest.

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

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, TVA and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, 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 TVA explicitly and specifically provides, under the LGIA, for the reimbursement 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 reimbursement. The agreement shall specify the terms governing reimbursement 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 cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.
- 11.4.4** Notwithstanding Section 11.4.1, 11.4.3, or anything else to the contrary

herein, and without limiting Section 11.5

11.4.4.1 Interconnection Customer shall provide to TVA, and have returned to Interconnection Customer, security for Network Upgrades- Customer Secured in the amounts, with the timing, and subject to the conditions set forth in Section 11.5, Appendix A and Appendix B.

11.4.4.2 Interconnection Customer shall provide to TVA security for and pay for Network Upgrades- Customer Funded in the amounts, with the timing, and subject to the conditions set forth in Section 11.5, Appendix A and Appendix B

11.4.4.3 In lieu of Sections 11.4.1 and 11.4.3, which shall not apply, Interconnection Customer and TVA may separately agree, and TVA may promulgate business practices, with respect to reimbursement to Interconnection Customer of Interconnection Customer's payments for Network Upgrades- Customer Funded.

11.5 Provision of Security. Interconnection Customer shall provide TVA security, which shall be one of a cash deposit, a letter of credit or other form of security that is acceptable to TVA and is consistent with the applicable Uniform Commercial Code(s), in the amounts, and with the timing, as specified in Appendix B of this LGIA. Such security shall secure all of Interconnections Customer's obligations of payment and performance hereunder, and shall include: (a) the Commercial Readiness Deposit, as that term is defined in the LGIP, to be applied to the Withdrawal Penalty if applicable, and otherwise to be returned to Interconnection Customer after final settlement of third party and Interconnection Customer invoices and payments following the Commercial Operation Date, (b) on or before the execution of this LGIA, further "Construction Security" with respect to the costs for constructing, procuring and installing the applicable portion of TVA's Interconnection Facilities, Network Upgrades- Customer Funded, and Distribution Upgrades, which to the extent not applied to TVA to Interconnection Customer's obligations hereunder, shall be returned to Interconnection Customer after final settlement of third party and Interconnection Customer invoices and payments following the Commercial Operation Date, (c) on or before the execution hereof, "Network Upgrade Security" for one hundred percent of the cost of Network Upgrades- Customer Secured, which to the extent not applied to TVA to Interconnection Customer's obligations hereunder, shall be returned to Interconnection Customer after final settlement of third party invoices and payments following the Commercial Operation Date and the Network Upgrades- Customer Secured being fully in service, and (d) on or before the In-Service Date, "Continuing Security" for Interconnection Customer's other obligations to TVA hereunder, including costs and losses incurred by TVA due to any damage to TVA facilities caused by Interconnection Customer's failure to operate within the requirements of this Agreement and obligations of Interconnection Customer that may

arise under Sections 2.4 and 2.5, which to the extent not applied to TVA to Interconnection Customer's obligations hereunder, shall be returned to Interconnection Customer after final settlement of third party and Interconnection Customer invoices and payments following the termination hereof and Interconnection Customer's full, final and indefeasible payment and performance of all of its obligations hereunder. TVA must specify, in Appendix B of this LGIA, the dates for which Interconnection Customer must provide such security and any additional security for construction of each discrete portion of TVA's Interconnection Facilities, Network Upgrades, or Distribution Upgrades or for Interconnection Customer's other obligations hereunder. TVA may at any time require Interconnection Customer to increase the amount of security to the extent TVA believes such increase is appropriate for changes in facts or circumstances, including those caused by inflation, and Interconnection Customer must provide such additional security.

In addition:

11.5.1 [Reserved]

11.5.2 Any letter of credit must be in a form approved by TVA, and issued by a financial institution acceptable to TVA and must specify a reasonable expiration date. For a financial institution to be acceptable to TVA, it must be a U.S. commercial bank domiciled in the United States, or a U.S. branch of a foreign bank, and must have credit ratings for its senior unsecured long-term debt not supported by third-party enhancements of at least two of (1) "A2" or higher from Moody's, (2) "A" or higher from Standard & Poor's, or (3) "A" or higher from Fitch.

11.5.3 TVA may use, draw upon or apply the security provided by Interconnection Customer to pay costs TVA incurs as a result of Interconnection Customer's failure to perform its obligations hereunder. Upon any use, draw or application of any security by TVA, Interconnection Customer shall replenish the amount of such security within twenty (20) Days. Security provided must have a minimum term of one (1) year. Interconnection Customer shall at least forty-five (45) Days before the expiration date of any security either replace such security or amend the term to have a minimum term of at least one (1) year. If Interconnection Customer does not do so, TVA may draw up to the full amount of such security and hold the cash as cash security.

11.5.4 TVA shall pay interest on cash deposits provided as security under this LGIA based on TVA's short term cost of borrowing.

11.6 Interconnection Customer Compensation. If TVA 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, TVA shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect. To the extent that no rate schedule is in effect at the time Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, TVA 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.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. TVA 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. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. Payment by Interconnection Customer of amounts scheduled on Appendix B are due on the dates specified whether or not invoiced by TVA. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of TVA's Interconnection Facilities and the Network Upgrades, TVA shall provide an invoice of the final cost of the construction of TVA'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. TVA shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between TVA and Interconnection

Customer, TVA 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 TVA the portion of the invoice in dispute, pending resolution of such dispute. Interconnection Customer may only dispute any invoice by providing written notice of its dispute thereof to TVA within ninety (90) days of the date of such invoice, with such notice including the reasons for the, and amounts in, dispute. If Interconnection Customer does not provide such written notice of dispute within such ninety (90) day period, Interconnection Customer may not dispute such invoice. If Interconnection Customer fails to meet these two requirements for continuation of service, then TVA may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated at the rate and in the manner specified in the United States Prompt Payment Act (31 U.S.C. §§ 3901-3907) and the notices of the United States Department of the Treasury thereunder.

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 TVA, 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, TVA’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 Electric Reliability Organization, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.
- 13.3 Notice.** TVA shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects TVA’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 TVA 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 TVA’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 TVA’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 TVA, 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 TVA or otherwise regarding the Transmission System.

13.5 TVA Authority.

13.5.1 General. TVA may take whatever actions or inactions with regard to the Transmission System or TVA'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 TVA's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. TVA shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. TVA 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 TVA'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. TVA 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 TVA. When TVA can schedule the reduction or disconnection in advance, TVA shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. TVA shall coordinate with Interconnection Customer

using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and TVA. 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 TVA's Interconnection Facilities. TVA 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.

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 email along with copies by recognized national courier, or 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 addresses 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 email addresses set out in Appendix F.
- 15.3 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 must also be given by telephone 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. Interconnection Customer shall ensure that there are a sufficient number of qualified personnel for operating and monitoring the Generating Facility and for coordinating operation of the Generating Facility with the Transmission System. When the Generating Facility is not operational, Interconnection Customer shall ensure that a qualified person is “on call” twenty-four (24) hours a Day and seven (7) Days a week; provided, however, that alternate staffing requirements may be specified by the Operating Committee.

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 by email and 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 by email 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. “Breach” by Interconnection Customer includes Interconnection Customer materially and adversely affecting operation of the Transmission System. 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.

17.2 Violation of Operating Assumptions for Generating Facilities. If TVA requires Interconnection Customer to memorialize the operating assumptions for the charging behavior of a Generating Facility that includes at least one electric storage resource in Appendix H of this LGIA, TVA may consider Interconnection Customer to be in Breach of the LGIA if Interconnection Customer fails to operate the Generating

Facility in accordance with those operating assumptions for charging behavior. However, if Interconnection Customer operates contrary to the operating assumptions for charging behavior specified in Appendix H of this LGIA at the direction of TVA, TVA shall not consider Interconnection Customer in Breach of this LGIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. Interconnection Customer (the “Indemnifying Party”) shall at all times indemnify, defend, and hold harmless TVA and its directors, officers, representatives and employees and the United States of America, including its departments, agencies, and instrumentalities (each an “Indemnified Person”) from and against 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 Interconnection Customer’s action or inactions of its obligations under this LGIA on behalf of the Indemnifying Party, except as pre-empted by federal law or in cases of gross negligence or intentional wrongdoing by the indemnified Party.

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

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

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

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, 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 Insurance. Interconnection Customer shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by TVA, 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 TVA and its respective directors, officers, agents, servants and employees ("TVA 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 TVA Group

and provide thirty (30) Calendar Days advance written notice to the TVA 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) Business Days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar Days thereafter, Interconnection Customer shall provide a certificate of insurance to TVA evidencing all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** [Reserved]
- 18.3.11** Interconnection Customer shall report to TVA in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19. Assignment

19.1 Assignment. This LGIA may be assigned by either Party only with the written consent

of the other; provided that Interconnection Customer shall have the right to assign this LGIA, without the consent of TVA, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify TVA of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify TVA of the date and particulars of any such exercise of assignment right(s), including providing TVA with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of TVA) 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. [Reserved]

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; provided, however, that all CEII is always Confidential Information.

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 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with Commission policy and regulations.
- 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, including the Freedom of Information Act, 5 U.S.C. § 552, as amended, 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, its Staff, or a State. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this 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. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this 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 Balancing Authority 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.

22.1.12 CEII. Interconnection Customer certifies on behalf of itself and its employees, agents and representatives that it and they are aware of the requirements of 18 C.F.R. Part 388. Interconnection Customer further certifies that after diligent review of 18 C.F.R. Part 388, it has no reason to believe that it or any of its employees, agents or representatives who may be granted access to CEII, if any, would be restricted from access to such CEII pursuant to 18 C.F.R. Part 388. Interconnection Customer must notify TVA within one Business Day if it or any of its employees, agents or representatives who may be granted access to CEII, if any, would be restricted from access to such CEII pursuant to 18 C.F.R. Part 388.

22.1.13 FOIA. In response to any Freedom of Information Act (FOIA) request to TVA for information received from or relating to Interconnection Customer and designated by Interconnection Customer as proprietary or confidential, TVA shall evaluate the requested information and determine the applicability of any FOIA exemptions, including, but not limited to 5 U.S.C. § 552(b)(4). If TVA determines that a FOIA exemption may apply to the information, TVA will follow the process outlined in TVA's FOIA regulations (18 C.F.R. § 1301.8) regarding handling of Confidential commercial information. TVA will make the final determination on whether the requested information is exempt from disclosure under FOIA and shall notify Interconnection Customer accordingly in advance of release of any of the information.

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** Interconnection Customer shall remediate at its cost and expense all Hazardous Substances or releases thereof, and all other hazards thereupon, including unexploded ordinance, on or about any real property underlying the Large Generating Facility or Interconnection Facilities, and any Hazardous Substances migrating from real property at the Large Generating Facility site. Such costs include all costs required to meet all Applicable Laws and Regulations and state and federal environmental standards and requirements at the time of the remediation, including without limitation costs of state and Federal supervision, remedial action plans, removal and remedial actions, and negotiation of voluntary and judicial agreements.
- 23.3** Interconnection Customer agrees to comply fully with all requirements of all Applicable Laws and Regulations in the performance of its obligations hereunder, and to mitigate and abate adverse environmental impacts accordingly.

Article 24. Information Requirements

- 24.1 Information Acquisition.** TVA 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 TVA.** The initial information submission by TVA shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis following commencement of construction, TVA shall provide Interconnection Customer a status report on the construction and installation of TVA'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.** On a monthly basis following commencement of construction, Interconnection Customer shall provide TVA a status report on the construction and installation of Interconnection Customer's Interconnection Facilities and the Large Generating Facility, 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; (4) the delivery status of equipment ordered and (5) commissioning readiness. 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 TVA for the Cluster Study 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 TVA 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 TVA pursuant to the Interconnection Study Agreement between TVA and Interconnection Customer, then TVA will conduct appropriate studies to determine the impact on TVA Transmission System based on the actual data submitted pursuant to this Article 24.3. 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. 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 TVA for each individual generating unit in a station.

Subsequent to the Operation Date, Interconnection Customer shall provide TVA any information changes due to equipment replacement, repair, or adjustment. TVA shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent TVA-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

25.1 Information Access. Each Party (the “disclosing Party”) shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this 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, TVA’s efforts to allocate responsibility for the provision of reactive support to the Transmission System, TVA’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 TVA’s Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following TVA’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 TVA 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, either Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA. Any legal or equitable action related to this Agreement shall be brought in the United States

District Court for the Eastern District of Tennessee and THE PARTIES HEREBY WAIVE: (a) ANY OBJECTION TO THAT COURT’S JURISDICTION OVER THEM, OR THAT VENUE IS PROPER IN SUCH COURT, and (b) ANY RIGHT TO A JURY TRIAL.

27.2 [Reserved].

27.3 [Reserved]

27.4 [Reserved].

27.5 This Article 27 is not a “Disputes” clause within the meaning of the Contract Disputes Act of 1978, 41 U.S.C. §§ 601- 613 (“CDA”), and this LGIA is not subject to the provisions of the CDA.

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 in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 **Authority.** Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors’ rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 **No Conflict.** The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument

applicable to or binding upon such Party or any of its assets.

- 28.1.4** **Consent and Approval.** Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29. Joint Operating Committee

- 29.1** **Joint Operating Committee.** TVA 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 TVA shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify TVA 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 and develop joint operating procedures.
- 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 TVA'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.
- 29.1.7** The control of energy flow, kilovar flow, voltage, and other similar matters bearing upon the satisfactory synchronous operation of the Facility with the TVA transmission system.
- 29.1.8** Without limiting the foregoing. Interconnection Customer shall ensure that there are a sufficient qualified personnel for operating and monitoring the Large Generating Facility and for coordinating operation of the Large Generating Facility with the Transmission System when it is scheduled to operate. When the Large Generating Facility is not scheduled to operate, Interconnection Customer shall ensure that a technically qualified person is “on call” and available to TVA twenty-four (24) hours each Calendar Day and seven (7) Calendar Days a week; provided, however, that alternate staffing requirements may be specified by the Joint Operating Committee.

Article 30. Miscellaneous

- 30.1 Binding Effect.** This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 30.2 Conflicts.** In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.
- 30.3 Rules of Interpretation.** This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person’s successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7)

“including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

30.4 Entire Agreement. This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement 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, or 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 TVA. 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 [Reserved].

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.

30.13 Consistency with Federal Laws and Regulations. Nothing in this Agreement shall compel any person or federal entity to: (1) violate Federal statutes or regulations; or (2) in the case of a Federal agency, to exceed its statutory authority, as defined by any applicable Federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Agreement is inconsistent with any obligation imposed on any person or Federal entity by Federal law or regulation to that extent, it shall be inapplicable to that person or Federal entity. No person or Federal entity shall incur any liability by failing to comply with this Agreement that is inapplicable to it by reason of being inconsistent with any Federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however, that such person or Federal entity shall use its best efforts to comply with the Agreement to the extent that applicable Federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.

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.

TENNESSEE VALLEY AUTHORITY

By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

[Insert name of Interconnection Customer]

By: _____
Title: _____
Date: _____

Appendix A to LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:

(a) [insert Interconnection Customer's Interconnection Facilities]:

(b) [insert TVA's Interconnection Facilities]:

2. Network Upgrades- Customer Funded:

(a) [insert Stand Alone Network Upgrades that are Network Upgrades- Customer Funded]:

(b) [insert Substation Network Upgrades]:

(c) [insert System Network Upgrades that are Network Upgrades- Customer Funded]:

3. Network Upgrades- Customer Secured:

(a) [insert Stand Alone Network Upgrades that are Network Upgrades- Customer Secured]:

(b) [insert System Network Upgrades that are Network Upgrades-Customer Secured]:

4. Distribution Upgrades:

[insert Distribution Upgrades]:

[TVA to insert facilities matrix]

[TVA to insert facilities configuration diagram showing Point of Interconnection and Point of Change of Ownership]

Appendix B to LGIA

Milestones

Milestone Dates*

[TVA to insert Milestone Dates]

- Date for TVA to proceed with design and procurement is scheduled to be _____.
- Date for TVA to proceed with construction is scheduled to be _____.
- In-Service Date is scheduled to be _____.
- The date TVA will be ready to back feed power to the Interconnection Customer is scheduled to be _____.
- The Initial Synchronization Date is scheduled to be _____.
- The Commercial Operation Date is scheduled to be _____.

*Dates are based on current scheduled activities as of the date of this Agreement and are subject to change for reasons including, but not limited to, outage and resource availability, weather conditions, required environmental reviews and consultations, additional Force Majeure events, etc. Based on the current schedule of related work being performed by Interconnection Customer and third parties, TVA has agreed to meet these dates. TVA activities are dependent on Interconnection Customer and third parties completing their activities in the schedule. If Interconnection Customer and third parties do not meet their milestone dates (including requirements contained in TVA's commissioning guidelines), TVA cannot be responsible for meeting these dates.

Milestone Payments

[TVA to insert Payment Schedule for payments and securities]

Interconnection Facilities Options

Check box if applicable:

- Milestone Dates provided ☐.
- Standard Option ☐.
- Alternative Option ☐.
- Option to Build ☐.

Site Control

Check box if applicable ☐

Interconnection Customer with qualifying regulatory limitations must demonstrate 100% Site Control by {TVA to insert date one hundred eighty (180) Calendar Days from the effective date of this LGIA} or the LGIA may be terminated per Article 17 (Default) of this LGIA and

Interconnection Customer may be subject to Withdrawal Penalties per Section 3.7.1.1 of TVA's LGIP (Calculation of the Withdrawal Penalty).

Appendix C to LGIA

Interconnection Details

1. INTRODUCTION

These Interconnection Criteria are requirements for interconnecting the Facility to the TVA transmission system. The purpose of these criteria is to provide for the safe operation, integrity, and reliability of the TVA transmission system and of the facilities to which it is connected.

These Interconnection Criteria are not intended as a design specification. More specific project scope, available fault currents and relay and protection schemes are reflected in the Specification Diagram and Communication Specification Diagram in Appendix A. References to the Agreement appear throughout Appendix C.

As also set forth in TVA LGIA Article 29, written operating procedures shall be mutually developed that will further address the information provided by this Appendix A.

2. GENERAL REQUIREMENTS

2.1. Delivery Point

- Ref. Appendix A (Point of Interconnection and Conditions of Delivery)

2.2. Safety and Operation

- Ref. TVA LGIA Article 5.10.2 (TVA Review)
- Ref. TVA LGIA Article 5.19 (Modifications)
- Ref. TVA LGIA Article 13.5.2 (Reduction and Disconnection)
- Ref. TVA LGIA Article 13.6 (Interconnection Customer Authority)
- Ref TVA LGIA Article 29 (Joint Operating Committee)

2.3. Inspection, Test, Calibration, and Maintenance

- Ref. TVA LGIA Article 6.4 (Right to Inspect)
- Ref. TVA LGIA Article 10 (Maintenance)

2.4. Metering and Telemetry

- Ref. Appendix A (Metering and Data Equipment)
- Ref. TVA Oasis - SCADA Interface Guidelines

3. SPECIFIC REQUIREMENTS AND CLARIFICATIONS

- 3.1. The Facility is to be located near the transmission facilities of TVA (as shown in Appendix A) in [REDACTED] County, [REDACTED].

- 3.2. The facilities includes [REDACTED] inverters each rated at [REDACTED] MVA for an installed MVA of [REDACTED] MVA.
- 3.3. The Facility's gross output capacity is limited to [REDACTED] MW summer, [REDACTED] MW winter, and [REDACTED] MW at the generator low voltage output terminal(s) for spring and fall (AC) maximum as studied and for by TVA reflecting said limit.
- 3.4. The Facility's net output capacity is controller-limited to [REDACTED] MW summer, [REDACTED] MW winter, and [REDACTED] MW for spring and fall (AC) maximum at the of interconnection as studied and planned for by TVA reflecting said limit.
- 3.5. The facility includes a [REDACTED] MVAR capacity bank consisting of [REDACTED] stage(s).
- 3.6. The Facility's voltage schedule at the POI will be [REDACTED] kV (+/- [REDACTED] kV)

Min Voltage = ____ kV

Max Voltage = ____ kV

4. PERFORMANCE REQUIREMENTS

Interconnection Customer shall comply with the following:

4.1. Electrical Disturbances

4.1.1. Interconnection Customer shall avoid producing or causing electrical disturbances, including effects such as:

- 4.1.1.1. An abnormal flow of power including unusual fluctuations or power output.
- 4.1.1.2. Over/undervoltage and over/underfrequency
- 4.1.1.3. Degraded reliability of the interconnected electric system

4.2. Voltage Flicker, Harmonic Current Injection, and Phase Unbalance

- Ref. TVA ESF Interconnection Requirements (2019) Section 1-e (Power Quality Requirements)

4.3. Grounding

Interconnection Customer shall provide a ground source to the TVA transmission system. TVA has confirmed that, upon the interconnection of the Facility, the TVA transmission system remains effectively grounded (X0/X1*3 and R0/X1*1) at each remote end of the interconnection line, under all feasible operation scenarios. If at any time, Facility equipment (neutral grounded reactor, generator step-up transformer, inverter transformers, or the impedance of other collector system components) is changed or modified, Interconnection Customer shall reimburse TVA for the cost to study the changes or modifications to confirm that the TVA transmission system remains effectively grounded. Interconnection Customer's grounding requirements for the

Facility shall comply with the National Electric Safety Code, IEEE Std. 665 - “Guide for Generator Station Grounding,” IEEE Std. 80 - “Guide for Safety in AC Substation Grounding,” as such standards may be revised, modified, or replaced from time to time and any applicable state and local codes.

4.4. Voltage Rating, Regulation, and Power Factor

- 4.4.1. For synchronous and non-synchronous (including wind generators) refer to TVA LGIA Article 9.6.1
- 4.4.2. To minimize possible adverse impacts to the operation of the Facility that might occur because of TVA’s power system operating under extreme voltage conditions, the Facility shall be designed to continuously operate within a voltage range of kV to kV. The Facility’s continuous reactive power capability curve shall not be restricted by limitations including auxiliary voltage levels, main or auxiliary transformer tap settings, control, and protection. In addition, the specified voltage range that the Facility shall be designed to operate within shall comply with the standards of NERC Reliability Standard PRC-024-2 entitled “Generator Frequency and Voltage Protective Relay Settings”, without Momentary Cessation, as such standard may be revised, modified, or replaced from time to time. If such a standard is revised to a voltage range that is narrower than the range listed above, the Facility shall revert to operating within the range listed above.
- 4.4.3. Interconnection Customer shall provide the necessary voltage regulation equipment to prevent the Facility from causing excessive voltage variation on the TVA transmission system. The voltage variation caused by the Facility must be within the ranges capable of being handled by the voltage regulation facilities used by the TVA transmission system. The voltage regulation equipment shall utilize volt-var control with a linear droop characteristic and operate at a control rate of two (2) cycles per second or faster. The droop characteristic shall be linear within the operating voltage range excluding any deadband parameter. The deadband parameter shall be the range of voltages above and below operating voltage in which the voltage regulation equipment is not expected to adjust the Facility’s reactive power output in response to voltage deviations. The deadband shall be implemented without a step to the droop curve, (i.e., once the voltage deviation exceeds the deadband parameter, the expected change in the Facility’s reactive power output in response to voltage deviations shall start from zero and then increase for under-voltage deviations or decrease for over-voltage deviations linearly in proportion to the magnitude of the voltage deviation). Droop control shall be set in accordance with Figure 1 below. The normal operating voltage range for the Facility is to be approximately kV to kV, with kV being the expected optimal operating voltage. Voltage control response time shall be no more than two (2) seconds from the time that the voltage at the Point of Interconnection deviates

from the voltage level specified by TVA under LGIA Article 9.6.2 (Voltage Schedules) until the time that the voltage returns to the specified level or the Facility's reactive power has reached 90% of its capability, whichever occurs first. The damping ratio of the voltage response should be 0.3 or higher for both normal transmission system conditions and transmission maintenance (N-1) scenarios.

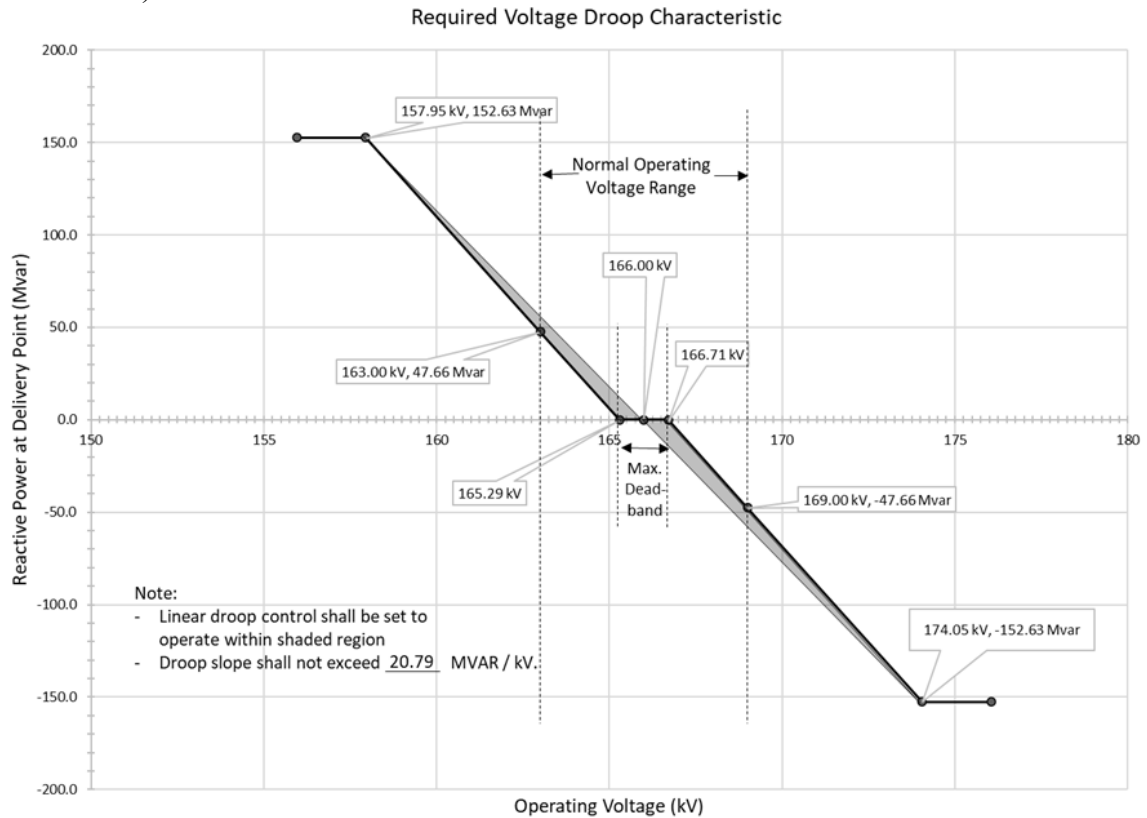


Figure 1 – Required Voltage Droop Characteristic

- 4.4.4. Interconnection Customer shall test and document the reactive capability and performance of the Facility with the cooperation of the TVA Transmission Operators, in accordance with TVA's voltage and reactive testing requirements and with NERC guidelines.

4.5. Primary Frequency Response

- 4.5.1. Ref TVA LGIA 9.6.4 (Primary Frequency Response)
- 4.5.2. The damping ratio of the primary frequency response should be 0.3 or higher.
- 4.5.3. Electric Storage Resources

Pursuant to TVA LGIA Article 9.6.4.4 (Electric Storage Resources):	
Operating Range	(Pick one) Static or Dynamic
Minimum Operating Range	Example = 10%

Maximum Operating Range	Example = 90%
-------------------------	---------------

4.6. Governor and Equivalent Controls

- Ref. TVA LGIA Article 9.6.4.1

4.7. Ramp Rate

- 4.7.1. TVA reserves the right to specify a real power ramp rate in the upward direction, with ten percent (10%) for solar portion of Facility's maximum MW output per minute being the most constraining, unless the members of the Operating Committee agree otherwise.
- 4.7.2. TVA reserves the right to specify a real power ramp rate in either direction, of at least twenty percent (20%) of BESS Facility's maximum MW output per minute, unless the members of the Operating Committee agree otherwise.

4.8. Special Disturbances

- Ref. TVA LGIA Article 9.10 (Disturbance Analysis Data Exchange)

4.9. Transformer Energization

- 4.9.1. Interconnection Customer shall ensure the Facility is designed and operated in accordance with the current IEEE 1453 and IEC TR 61000-3-7 standards so that the energization of the Generator Step-Up Transformer will not induce a voltage sag on the TVA transmission system exceeding 5%. Interconnection Customer shall implement a control scheme to ensure that only one Generator Step-Up Transformer will be energized at a time.

4.10. Remote Control Curtailment

- 4.10.1. Interconnection Customer shall provide communications interface with TVA SCADA system for remote control and/or curtailment of generator real power output.

4.11. PPC Communication Loss with Inverter

- 4.11.1. Inverters shall be configured to cease power production in the event of a consecutive 30-minute loss of communications with the Power Plant Controller (PPC). If communication has not been restored within 30 minutes the affected inverter(s) shall cease power production. Affected inverter(s) shall remain off until communications have been restored.

5. RELAY AND PROTECTION REQUIREMENTS

- 5.1. The primary protection and synchronizing of the Interconnection Customer Facility shall be provided by Interconnection Customer's breakers as indicated on the Specification

Diagram and Communication Specification Diagram referenced in the Appendix A (or other drawings included as part of the Referenced Project Documentation).

- 5.2. The primary Interconnection Customer generator step-up transformer protection shall be provided by Interconnection Customer's power circuit breaker, and failure of this breaker to trip shall be backed up via tripping to the appropriate TVA and/or Interconnection Customer power circuit breakers.
- 5.3. Interconnection Customer station service supply shall be connected as indicated on the Specification Diagram and Communication Specification Diagram referenced in Appendix A (or other drawings included as part of the Referenced Project Documentation). Switching and primary protective devices shall be provided for station service and other auxiliary feeds as required or recommended in accordance with the applicable IEEE standards (or their successors).
- 5.4. Relays protecting the Interconnection Customer Facility and generator step-up transformer shall be utility grade, conforming to IEEE C37.90, C37.90.1, and C37.90.2, as such standard may be revised, modified, or replaced from time to time and both the relays and relay settings shall be coordinated with TVA. TVA may at its option duplicate some relays or relay functions provided for Facility or Generator Step-Up protection by Interconnection Customer.
- 5.5. The following relays or relay and protection functions are among those required; however, TVA does not intend this to be a comprehensive list:

Isolating and Synchronizing

- 5.5.1. Interconnection Customer shall not energize any de-energized TVA Interconnection Facilities unless such energizing is specifically approved by the TVA Transmission Operator.
- 5.5.2. Interconnection Customer shall provide adequate facilities for the proper synchronization of its Facility with the TVA transmission system such that synchronism is accomplished, either manually or by automatic means, without causing undesirable currents or voltage (including current surges and voltage fluctuations) on the TVA transmission system.
- 5.5.3. Interconnection Customer shall synchronize its Facility to the TVA transmission system according to Good Utility Practice. Interconnection Customer shall not connect the Facility to the TVA transmission system in an out-of-synchronization condition.

- 5.5.4. The TVA phase sequence is A-B-C, rotating counter-clockwise.

Generator Step-Up Transformer Protection

- 5.5.5. Interconnection Customer shall provide complete protection of the generator step-up transformer. Such protection shall be as required or recommended in accordance with the applicable IEEE standards (or their successors), including relay protective schemes such as bank phase and ground differential and overcurrent.

Over/Underfrequency, Over/undervoltage Relays

- 5.5.6. Interconnection Customer shall provide over/underfrequency and over/undervoltage relays to protect the Facility from severe system frequency or voltage disturbances. The relay settings used for these relays shall not disconnect the Facility from the system for the occasional small dynamic (transient) oscillations on the power system, which are stable and damped. The objective is to protect the Facility while at the same time utilizing the total machine capability to support the system and prevent unnecessary loss of load.
- 5.5.7. To prevent a Facility trip before TVA's load-shedding scheme is completed, the Interconnection Customer underfrequency and overfrequency relay settings shall meet the trip modeling curves specified in NERC Reliability Standard PRC-006-3-Attachment 1 entitled "Underfrequency Load Shedding Program Design Performance and Modeling Curves for Requirements R3 Parts 3.1-3.2 and R4 Parts 4.1-4.6", as such standard may be revised, modified, or replaced from time to time. These settings are required to protect the Facility during system abnormal frequency as described in IEEE C37.106, "Guide for Abnormal Frequency Protection for Power Generating Plants", as such standard may be revised, modified, or replaced from time to time.
- 5.5.8. Interconnection Customer shall comply with the standards of NERC Reliability Standard PRC-024-3 entitled "Generator Frequency and Voltage Protective Relay Settings", without Momentary Cessation, as such standard may be revised, modified, or replaced from time-to-time.

Power Quality Relays

- 5.5.9. TVA shall install a power quality relay to provide a low priority alarm to SCADA for high harmonic distortion. Power quality relay tripping will also be wired to an open terminal block for future use.

Breaker Failure and Backup Protection

- 5.5.10. Interconnection Customer shall provide appropriate breaker-failure relays to ensure that, if the Interconnection Customer high voltage power circuit breakers fail to trip, the appropriate Interconnection Customer and/or TVA power circuit breakers will trip.

5.5.11. TVA shall provide appropriate breaker-failure relays so that, if the TVA high voltage power circuit breakers fail to trip, the appropriate TVA and/or Interconnection Customer power circuit breakers will trip.

5.5.12. Interconnection Customer shall provide appropriate breaker failure and backup relays to ensure that a failure to trip by the Interconnection Customer low voltage equipment/feed protection will be transferred to the next level of protection.

Relay Settings

5.5.13. Ref TVA LGIA Section 9.7.5 (Requirements for Protection)

Exchange of Secondary Circuits

5.5.14. Interconnection Customer shall provide to TVA secondary circuits (including currents, voltages, direct current trips, hardwired breaker position indication, etc.) for equipment status monitoring and TVA's protection and control schemes.

6. Inverter Based Resource, Collector System, and Transformer Modeling Data

Requirements

- 6.1. Interconnection Customer shall provide to TVA a copy of the manufacturer's transformer test report, including zero sequence impedance data for three-phase banks with grounded neutral, for each transformer installed by the Interconnection Customer (Inverter Step-Up, BES Connected Step-Up, station service, etc.) no later than sixty (60) calendar days prior to the scheduled Commercial Operation Date.
- 6.2. To replace or supplement the estimated data used for inverter, collector system and transformer modeling provided to TVA earlier for the Interconnection System Impact Study, the Interconnection Customer shall provide to TVA, sixty (60) calendar days prior to the scheduled Commercial Operation Date, a copy of the as-designed (i.e. issued for construction) plant data, including an updated PSS/E positive sequence stability model and a PSCAD EMT model, which shall adhere to TVA's most current modeling requirements, and a copy of the inverter and power plant controller setting sheets, manual, or comparable documentation. Interconnection Customer shall notify TVA of changes to inverter settings and shall provide updated inverter setting sheets, updated PSS/E positive sequence stability model and PSCAD EMT model, manuals, or comparable documentation to TVA upon request. Any updates to these items during commissioning are deemed as-designed-with-modifications and shall be provided to TVA, ten (10) calendar days prior to the scheduled Commercial Operation Date. Modeling must pass prior to COD being granted. As-built models are due 60 days after Commercial Operation Date.

7. Applicable Codes, Standards, Criteria, and Regulations

In the initial design and construction of the Facility and future modifications to the Facility, Interconnection Customer shall consider the following standards developed or accredited by industry organizations (e.g., IEEE, NEMA, ANSI):

NERC Reliability Standards

The NERC Reliability Standards apply as set out in Section BA-7.4 (Interconnection). Although all of the standards apply, the following NERC Reliability Standards are particularly important:

TPL-001-4	Transmission System Planning Performance Requirements
PRC-024-2	Generator Frequency and Voltage Protective Relay Settings
VAR-002-4.1	Generator Operation for Maintaining Network Voltage Schedules
FAC-008-3	Facility Ratings
PRC-006-3	Automatic Underfrequency Load Shedding
PRC-006-SERC-02	SERC's UFLS Standard
MOD-025-2	Verification and Data Reporting of Generator Real and Reactive Power Capability and Synchronous Condenser Reactive Power Capability
MOD-026-1	Verification of Models and Data for Generator Excitation Control System or Plant Volt/Var Control Functions
MOD-032-1	Data for Power System Modeling and Analysis

Institute of Electrical and Electronics Engineers (IEEE) Standards:

IEEE 80	Guide for Safety in AC Substation Grounding
IEEE 519	Recommended Practice and Requirements for Harmonics Control in Electric Power Systems
IEEE 665	Guide for Generating Station Grounding
IEEE 693	Recommended Practices for Seismic Design of Substations
IEEE 979	Guide for Substation Fire Protection
IEEE 980	Guide for Containment and Control of Oil Spills in Substations
IEEE 1001	Guide for Interfacing Dispersed Storage and Generation Facilities with Electric Utility Systems
IEEE 1109	Guide for the Interconnection of User-Owned Substations to Electric Utilities
IEEE 1453	Recommended Practice for the Analysis of Fluctuating Installations on Power Systems
IEEE 2800-2022	Standard for Interconnection and Interoperability of Inverter-Based Resources (IBRs) Interconnecting with Associated Transmission Electric Power Systems
IEEE C2	National Electrical Safety Code
	Capabilities for Voltages Above 1000 V
IEEE C37.013	AC High-Voltage Generator Circuit Breakers Rated on a Symmetrical Current Basis
IEEE C37.04	Rating Structure for AC High-Voltage Circuit Breakers
IEEE C37.06	AC High-Voltage Circuit Breakers Rated on a Symmetrical Current Basis - Preferred Ratings and Related Required
IEEE C37.16	Preferred Ratings, Related Requirements, and Application

	Recommendations for Low-Voltage AC (635 V and below) and DC (3200 V and below) Power Circuit Breakers
IEEE C37.30.1 1000 V	Requirements for AC High-Voltage Air Switches Rated above 1000 V
IEEE C37.48	Guide for Application, Operation, and Maintenance of High-Voltage Fuses, Distribution Enclosed Single-Pole Air Switches, Fuse Disconnecting Switches, and Accessories
IEEE C37.90	Relays and Relay Systems Associated with Electric Power Apparatus
IEEE C37.90.1	Surge Withstand Capability (SWC) Tests for Relays and Relay Systems Associated with Electric Power Apparatus
IEEE C37.90.2	Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers
IEEE C37.91	Guide for Protective Relay Applications to Power Transformers
IEEE C37.95	Guide for Protective Relaying of Utility-Consumer Interconnections
IEEE C37.97	Guide for Protective Relay Applications to Power System Buses
IEEE C37.102	Guide for AC Generator Protection
IEEE C37.106	Guide for Abnormal Frequency Protection for Power Generating Plants
IEEE C57.12.00	Standard General Requirements for Liquid-Immersed Distribution, Power, and Regulating Transformers
IEEE C57.12.01	General Requirements for Dry-Type Distribution and Power Transformers
IEEE C57.13	Requirements for Instrument Transformers
IEEE C57.13.3	Guide for the Grounding of Instrument Transformer Secondary Circuits and Cases
IEEE C57.32	Requirements, Terminology, and Test Procedures for Neutral Grounding Devices
IEEE C57.116	Guide for Transformers Directly Connected to Generators
IEEE C62.11	Metal-Oxide Surge Arresters for AC Power Circuits (>1 kV)
IEEE C62.22	Guide for the Application of Metal Oxide Surge Arresters for Alternating-Current Systems
IEEE C62.82.1 Rules	Standard for Insulation Coordination - Definitions, Principles, and Rules
IEEE C62.92.1	Guide for the Application of Neutral Grounding in Electric Utility Systems - Part I: Introduction
IEEE C62.92.2	Guide for the Application of Neutral Grounding in Electric Utility Systems, Part II - Synchronous Generator Systems
IEEE C62.92.5	Guide for the Application of Neutral Grounding in Electrical Utility Systems, Part V - Transmission Systems and Subtransmission Systems
IEEE C93.1	Requirements for Power-Line Carrier Coupling Capacitors and Coupling Capacitor Voltage Transformers (CCVT)

International Building Code (IBC)

International Electrotechnical Commission (IEC) Standards

IEC 61000-3-13	Assessment of emission limits for the connection of unbalanced installations to MV, HV, and EHV power systems
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IEC 61000-3-7 Assessment of emission limits for the connection of fluctuating installations to MV, HV and EHV power systems

National Electrical Manufacturers Association (NEMA) Standards

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

National Fire Protection Association (NFPA) Code

NFPA 70 National Electric Code

Occupational Safety and Health Administration (OSHA)

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 Interconnection Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber- security practices.

Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between TVA and Interconnection Customer. Both of these letters are required for the Commercial Operation Date.

[Date]

[Interconnection Customer Address]

Re: _____ Large Generating Facility

Dear _____:

[TVA] and **[Interconnection Customer]** have determined that commissioning requirements for Commercial Operation of Unit No. _____ at the Large Generating Facility are met and that **[Interconnection Customer]** commenced Commercial Operation of Unit No. _____ at the Large Generating Facility, effective as of **[Date plus one day]**.

Acknowledged:

[Signature]

[Interconnection Customer Representative]

Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:

TVA:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

TVA:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone or email):

TVA:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

APPENDIX G

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT

Appendix G sets forth requirements and provisions specific to a wind generating plant. or a Generating Facility that contains a wind generating plant All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

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 TVA. 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.

1. 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.
2. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
3. 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
4. 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 TVA. 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
2. 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.
3. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
4. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
5. 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.

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 a Facilities Study Agreement as of the effective date of the Final Rule establishing the reactive power requirements for non-synchronous generators in article 9.6.1 of this LGIA (Order No. 827). 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. 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 TVA, or a combination of the two. 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 Cluster 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 TVA to protect system reliability. TVA 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.

Appendix H to LGIA

Operating Assumptions for Generating Facility

Check box if applicable []

Operating Assumptions:

[insert operating assumptions that reflect the charging behavior of the Generating Facility that includes at least one electric storage resource]

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 the LGIP.

2. This Interconnection Request is for (check one):

_____ A proposed new Large Generating Facility.

_____ An increase in the generating capacity or a Material Modification of an existing Generating Facility.

3. 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:

Interconnection Customer Data, General Information, IBR Data, and Machine Data (set forth in Attachment A to Interconnection Application)

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 (If applicable deposit in-lieu of site control)

8. Single Line Diagram

9. General Site Plan for proposed Generating Facility

10. Equipment Data/Specification Sheet

11. W-9 State Registration Certificate for Project Entity

12. Organization chart of ownership summary that shows relationship between parent company and respective project entity

13. Generator Models (as applicable and required in TVA's Modeling Requirements Document)

14. Representative of Interconnection Customer to contact:

15. This Interconnection Request is submitted by:

Name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

This Interconnection Request shall be submitted to Interconnection@tva.gov.

Attachment A to Appendix 1

Interconnection Request

[Interconnection Customer to complete Appendix 1 - Attachment A form as posted on OASIS.]

APPENDIX 2 to LGIP
CLUSTER 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 Tennessee Valley Authority, a corporate agency and instrumentality of the United States of America created by and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (“TVA”). Interconnection Customer and TVA 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, the Generating Facility being proposed by Interconnection Customer is a <value> MW <type of generator> which is listed as <number> in TVA’s interconnection queue; and

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

WHEREAS, Interconnection Customer has requested TVA to perform a Cluster 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 agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.
- 2.0 Interconnection Customer elects and TVA shall cause to be performed a Cluster Study consistent with Section 7.0 of this LGIP.
- 3.0 The scope of the Cluster Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Cluster Study will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of this LGIP. TVA 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 Cluster Study.
- 5.0 The Cluster 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 minimum short circuit ratios;
- 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 TVA's good faith estimate for the time of completion of the Cluster Study is [insert date].

Upon receipt of the Cluster Study Report, TVA shall charge and Interconnection Customer shall pay its share of the actual costs, including applicable overheads, of the Cluster Study, consistent with Section 13.3 of this LGIP.

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

7.0 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Party under this Agreement, Interconnection Customer represents and warrants that, to the best of its knowledge, the information it provides to the other Party shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Party with any additional information needed to update information previously provided.

8.0 Term and Termination. This Agreement shall be effective from the date executed by the Parties and unless earlier terminated in accordance with this Section 8.0, shall continue in effect until the Cluster Study is completed. This Agreement shall automatically terminate upon the withdrawal of the Interconnection Request pursuant to Section 3.7 of the LGIP. TVA may terminate this Agreement fifteen (15) Business Days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) Business Day period. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments for costs incurred pursuant to this Agreement and to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect.

9.0 Force Majeure. Neither Party shall be considered to be in Default with respect to any obligation hereunder, 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 by email and 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 by email 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.

- 10.0 Indemnity. Interconnection Customer (the “Indemnifying Party”) shall at all times indemnify, defend, and hold harmless TVA and its directors, officers, representatives and employees and the United States of America, including its departments, agencies, and instrumentalities (each an “Indemnified Person”) from and against 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 Interconnection Customer’s action or inactions of its obligations under this Agreement on behalf of the Indemnifying Party, except as pre-empted by federal law or in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 10.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Section as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 10.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Section, 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.
- 10.3 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 this Section may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party’s indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.
- 11.0 Consequential Damages. In no event shall either Party 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.

12.0 Representations, Warranties and Covenants. Each Party makes the following representations, warranties and covenants:

12.1 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 in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement 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 Agreement.

12.2 Authority. Such Party has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement 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).

12.3 No Conflict. The execution, delivery and performance of this Agreement 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.

12.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this Agreement 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 Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.

13.0 Miscellaneous.

13.1 Confidentiality. This Agreement is subject to the confidentiality provisions in Section 13.1 of the LGIP.

13.2 Disputes. This Agreement is subject to the dispute provisions in Section 13.5 of the LGIP.

- 13.3 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 13.4 Entire Agreement. This Agreement, including all Attachments attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.
- 13.5 No Third-Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 13.6 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Termination or Default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from TVA. Any waiver of this Agreement shall, if requested, be provided in writing.
- 13.7 Headings. The descriptive headings of the various Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 13.8 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 13.9 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.
- 13.10 Modification by the Parties. The Parties may by mutual agreement amend the Attachments to this Agreement by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.

- 13.11 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.
- 13.12 Consistency with Federal Laws and Regulations. Nothing in this Agreement shall compel any person or federal entity to: (1) violate Federal statutes or regulations; or (2) in the case of a Federal agency, to exceed its statutory authority, as defined by any applicable Federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Agreement is inconsistent with any obligation imposed on any person or Federal entity by Federal law or regulation to that extent, it shall be inapplicable to that person or Federal entity. No person or Federal entity shall incur any liability by failing to comply with this Agreement that is inapplicable to it by reason of being inconsistent with any Federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however, that such person or Federal entity shall use its best efforts to comply with the Agreement to the extent that applicable Federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.

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.

TENNESSEE VALLEY AUTHORITY

[INSERT NAME]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment A To Appendix 2

Cluster Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE CLUSTER STUDY

The Cluster Study will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of this 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 TVA]

APPENDIX 3 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 Tennessee Valley Authority, a corporate agency and instrumentality of the United States of America created by and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (“TVA”). Interconnection Customer and TVA 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, the Generating Facility being proposed by Interconnection Customer is a <value> MW <type of generator> which is listed as <number> in TVA’s interconnection queue; and

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

WHEREAS, TVA has completed an Interconnection Cluster Study (the “Cluster Study”) and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested TVA 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 Cluster 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 agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.
- 2.0 Interconnection Customer elects and TVA shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed.
- 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 Cluster Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

- 5.0 In accordance with the provisions of Section 8.1 of this LGIP, along with this executed Agreement, Interconnection Customer shall provide to TVA:
- (1) any required technical data;
 - (2) Demonstration of one-hundred percent (100%) Site Control or demonstration of a regulatory limitation and applicable deposit in lieu of Site Control in accordance with Section 3.4.2 of this LGIP; and
 - (3) An additional deposit that brings the total Commercial Readiness Deposit to ten percent (10%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study or Cluster Restudy, rounded up to the nearest \$10,000, in the form of an irrevocable letter of credit, cash, or other form of security that is acceptable to TVA.
- 6.0 TVA will invoice Interconnection Customer on a monthly basis for the work to be conducted pursuant to this Agreement beginning with the first month in which total actual costs, including applicable overheads, incurred by TVA in performing the Interconnection Facilities Study exceed the study deposit. Interconnection Customers shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice. Interest on late payments will be calculated in accordance with the United States Prompt Payment Act (31 U.S.C. §§ 3901-3907).
- 7.0 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Party under this Agreement, Interconnection Customer represents and warrants that, to the best of its knowledge, the information it provides to the other Party shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Party with any additional information needed to update information previously provided.
- 8.0 Term and Termination. This Agreement shall be effective from the date executed by the Parties and unless earlier terminated in accordance with this Section 8.0, shall continue in effect until the Interconnection Facilities Study is completed. This Agreement shall automatically terminate upon the withdrawal of the Interconnection Request pursuant to Section 3.7 of the LGIP. TVA may terminate this Agreement fifteen (15) Business Days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) Business Day period. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments for costs incurred pursuant to this Agreement and to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect.

- 9.0 Force Majeure. Neither Party shall be considered to be in Default with respect to any obligation hereunder, 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 by email and 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 by email 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.
- 10.0 Indemnity. Interconnection Customer (the “Indemnifying Party”) shall at all times indemnify, defend, and hold harmless TVA and its directors, officers, representatives and employees and the United States of America, including its departments, agencies, and instrumentalities (each an “Indemnified Person”) from and against 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 Interconnection Customer’s action or inactions of its obligations under this Agreement on behalf of the Indemnifying Party, except as pre-empted by federal law or in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 10.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Section as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 10.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Section, 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.
- 10.3 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 this Section may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party’s indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

- 11.0 Consequential Damages. In no event shall either Party 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.
- 12.0 Representations, Warranties and Covenants. Each Party makes the following representations, warranties and covenants:
- 12.1 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 in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement 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 Agreement.
- 12.2 Authority. Such Party has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement 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).
- 12.3 No Conflict. The execution, delivery and performance of this Agreement 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.
- 12.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this Agreement 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 Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.
- 13.0 Miscellaneous.

- 13.1 Confidentiality. This Agreement is subject to the confidentiality provisions in Section 13.1 of the LGIP.
- 13.2 Disputes. This Agreement is subject to the dispute provisions in Section 13.5 of the LGIP.
- 13.3 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 13.4 Entire Agreement. This Agreement, including all Attachments attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.
- 13.5 No Third-Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 13.6 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Termination or Default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from TVA. Any waiver of this Agreement shall, if requested, be provided in writing.
- 13.7 Headings. The descriptive headings of the various Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 13.8 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 13.9 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.

- 13.10 Modification by the Parties. The Parties may by mutual agreement amend the Attachments to this Agreement by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.
- 13.11 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.
- 13.12 Consistency with Federal Laws and Regulations. Nothing in this Agreement shall compel any person or federal entity to: (1) violate Federal statutes or regulations; or (2) in the case of a Federal agency, to exceed its statutory authority, as defined by any applicable Federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Agreement is inconsistent with any obligation imposed on any person or Federal entity by Federal law or regulation to that extent, it shall be inapplicable to that person or Federal entity. No person or Federal entity shall incur any liability by failing to comply with this Agreement that is inapplicable to it by reason of being inconsistent with any Federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however, that such person or Federal entity shall use its best efforts to comply with the Agreement to the extent that applicable Federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.

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.

TENNESSEE VALLEY AUTHORITY

[INSERT NAME]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment A To Appendix 3

Interconnection Facilities Study Agreement

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

TVA shall 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 copy of this Interconnection Facilities Study Agreement:

- one hundred eighty (180) Calendar Days.

Attachment B To Appendix 3
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. The one-line diagram should be consistent with any drawings submitted with the Interconnection Request upon which the Cluster Study or Restudy was based.

One set of metering is required for each generation connection to the new ring bus or existing TVA 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 Programmable Logic Controller (PLC) will be located at Interconnection Customer's Large Generating Facility?

What protocol does the control system or PLC use? _____

Please provide a General Arrangement & Site Plan. Sketch the plant, station, transmission line, and property line. Include latitude/longitude at the POI on plan. Latitude/longitude should be consistent with any drawings submitted with the Interconnection Request upon which the Cluster Study or Restudy was based.

Physical dimensions of the proposed interconnection station:

Bus length from generation to Interconnection Customer's interconnection station:

Gen-tie line length in miles from Interconnection Customer's interconnection station to TVA's demarcation structure.

Transmission Line Structure Number observed in the field. (Noted on structure)*

Number of third-party easements required for transmission lines*: _____

* To be completed in coordination with TVA.

Is the Large Generating Facility in TVA's service area?

Yes ___ No ___ Local Power Company: _____

Please provide proposed schedule dates:

Gen-Tie and Sub Detailed Engineering Start	Date:
Gen-Tie and Sub Detailed Engineering Complete	Date:
Land Options Executed	Date:
IC Switch House Available for TVA Equipment Installation (Set up with power and communication hookups)	Date:
Generator step-up transformer receives back feed power	Date:
Initial Synchronization Date	Date:
Performance Testing Readiness	Date:
Commercial Operation Date	Date:

APPENDIX 4 TO LGIP

OPTIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, (“Interconnection Customer,”) and _____ a _____ organized and existing under the laws of the State of _____, (“Transmission Provider”). Tennessee Valley Authority, a corporate agency and instrumentality of the United States of America created by and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (“TVA”). Interconnection Customer and TVA 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, the Generating Facility being proposed by Interconnection Customer is a <value> MW <type of generator> which is listed as <number> in TVA’s interconnection queue; and

WHEREAS, Interconnection Customer is proposing to establish an interconnection with the Transmission System; and

WHEREAS, Interconnection Customer has submitted to TVA an Interconnection Request; and

WHEREAS, on or after the date when Interconnection Customer receives the Cluster Study results, Interconnection Customer has further requested that TVA 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 TVA’s LGIP.
- 2.0 Interconnection Customer elects and TVA shall cause an Optional Interconnection Facilities Study consistent with Section 10.0 of this LGIP to be performed.
- 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 TVA'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 \$25,000 for the performance of the Optional Interconnection Study. TVA's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

Upon receipt of the Optional Interconnection Study, TVA shall charge and Interconnection Customer shall pay the actual costs, including applicable overheads, of the Optional Study.

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

7.0 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Party under this Agreement, Interconnection Customer represents and warrants that, to the best of its knowledge, the information it provides to the other Party shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Party with any additional information needed to update information previously provided.

8.0 Term and Termination. This Agreement shall be effective from the date executed by the Parties and unless earlier terminated in accordance with this Section 8.0, shall continue in effect until the Optional Interconnection Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request pursuant to Section 3.7 of the LGIP. TVA may terminate this Agreement fifteen (15) Business Days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) Business Day period. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments for costs incurred pursuant to this Agreement and to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect.

9.0 Force Majeure. Neither Party shall be considered to be in Default with respect to any obligation hereunder, 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 by email and 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 by email 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.

- 10.0 Indemnity. Interconnection Customer (the “Indemnifying Party”) shall at all times indemnify, defend, and hold harmless TVA and its directors, officers, representatives and employees and the United States of America, including its departments, agencies, and instrumentalities (each an “Indemnified Person”) from and against 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 Interconnection Customer’s action or inactions of its obligations under this Agreement on behalf of the Indemnifying Party, except as pre-empted by federal law or in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 10.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Section as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 10.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Section, 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.
- 10.3 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 this Section may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party’s indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.
- 11.0 Consequential Damages. In no event shall either Party 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.

12.0 Representations, Warranties and Covenants. Each Party makes the following representations, warranties and covenants:

- 12.1 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 in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement 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 Agreement.
- 12.2 Authority. Such Party has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement 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).
- 12.3 No Conflict. The execution, delivery and performance of this Agreement 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.
- 12.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this Agreement 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 Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.

13.0 Miscellaneous.

- 13.1 Confidentiality. This Agreement is subject to the confidentiality provisions in Section 13.1 of the LGIP.
- 13.2 Disputes. This Agreement is subject to the dispute provisions in Section 13.5 of the LGIP.
- 13.3 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

- 13.4 Entire Agreement. This Agreement, including all Attachments attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.
- 13.5 No Third-Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 13.6 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Termination or Default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from TVA. Any waiver of this Agreement shall, if requested, be provided in writing.
- 13.7 Headings. The descriptive headings of the various Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 13.8 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 13.9 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.
- 13.10 Modification by the Parties. The Parties may by mutual agreement amend the Attachments to this Agreement by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.
- 13.11 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.

- 13.12 Consistency with Federal Laws and Regulations. Nothing in this Agreement shall compel any person or federal entity to: (1) violate Federal statutes or regulations; or (2) in the case of a Federal agency, to exceed its statutory authority, as defined by any applicable Federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Agreement is inconsistent with any obligation imposed on any person or Federal entity by Federal law or regulation to that extent, it shall be inapplicable to that person or Federal entity. No person or Federal entity shall incur any liability by failing to comply with this Agreement that is inapplicable to it by reason of being inconsistent with any Federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however, that such person or Federal entity shall use its best efforts to comply with the Agreement to the extent that applicable Federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.

.
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.

TENNESSEE VALLEY AUTHORITY

[INSERT NAME]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment A To Appendix 4
Interconnection Facilities Study Agreement

DATA TO BE PROVIDED BY INTERCONNECTION CUSTOMER
WITH THE
OPTIONAL INTERCONNECTION FACILITIES STUDY AGREEMENT

APPENDIX 6 to LGIP

INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix 6 sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by Section 3.3 of this LGIP, may provide to TVA 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 TVA to complete the Cluster Study.

APPENDIX 7 to LGIP
TRANSITIONAL CLUSTER 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 Tennessee Valley Authority, a corporate agency and instrumentality of the United States of America created by and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (“TVA”). Interconnection Customer and TVA 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, the Generating Facility being proposed by Interconnection Customer is a <value> MW <type of generator> which is listed as <number> in TVA’s interconnection queue; and

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

WHEREAS, Interconnection Customer has requested TVA to perform a “Transitional Cluster Study,” which combines the Cluster Study and Interconnection Facilities Study, in a single cluster study, followed by any needed restudies, to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to physically and electrically connect the Large Generating Facility to TVA’s Transmission System; and

WHEREAS, Interconnection Customer has a valid Queue Position as of November 1, 2024.

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 this LGIP.
- 2.0 Interconnection Customer elects, and TVA shall cause to be performed, a Transitional Cluster Study.
- 3.0 The Transitional Cluster Study shall be based upon the technical information provided by Interconnection Customer in the Interconnection Request. TVA 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 Transitional Cluster Study and Interconnection Customer shall provide such data as quickly as reasonable.

4.0 Pursuant to Section 5.1.1.2 of this LGIP, the interim Transitional Cluster Study Report shall provide the information below:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of minimum short circuit ratios;
- 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
- TVA's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.

5.0 Pursuant to Section 5.1.1.2 of this LGIP, the final Transitional Cluster Study Report shall: (1) provide all the information included in the interim Transitional Cluster Study Report; (2) provide a description of, estimated cost of, and schedule for required facilities to interconnect the Generating Facility to the Transmission System; and (3) address the short circuit, instability, and power flow issues identified in the interim Transitional Cluster Study Report.

6.0 Interconnection Customer has met the requirements described in Section 5.1.1.2 of this LGIP. Along with this executed Agreement, Interconnection Customer shall provide to TVA:

(1) A deposit of five million dollars (\$5,000,000) in the form of an irrevocable letter of credit, cash, or other form of security that is acceptable to TVA.

(2) Demonstration of Exclusive Site Control for 100% of the proposed Generating Facility.

7.0 The scope of the Interconnection Facilities Study shall be subject to the data provided in Attachment A to this Agreement. Interconnection Customer selects:

_____ Energy Resource Interconnection Service

_____ Network Resource Interconnection Service

8.0 Interconnection Customer shall provide a study deposit of \$250,000 concurrently with execution of this Agreement. Upon receipt of the final Transitional Cluster Study Report, TVA shall charge and Interconnection Customer shall pay the actual costs, including applicable overheads, of the Transitional Cluster Study. Any

difference between the study deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, in accordance with the provisions of Section 13.3 of this LGIP.

- 9.0 Accuracy of Information. Except as a Party (“Providing Party”) may otherwise specify in writing when it provides information to the other Party under this Agreement, Interconnection Customer represents and warrants that, to the best of its knowledge, the information it provides to the other Party shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Party with any additional information needed to update information previously provided.
- 10.0 Term and Termination. This Agreement shall be effective from the date executed by the Parties and unless earlier terminated in accordance with this Section 10.0, shall continue in effect until the Transitional Cluster Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request pursuant to Section 3.7 of the LGIP. TVA may terminate this Agreement fifteen (15) Business Days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) Business Day period. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments for costs incurred pursuant to this Agreement and to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect.
- 11.0 Force Majeure. Neither Party shall be considered to be in Default with respect to any obligation hereunder, 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 by email and 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 by email 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.
- 12.0 Indemnity. Interconnection Customer (the “Indemnifying Party”) shall at all times indemnify, defend, and hold harmless TVA and its directors, officers, representatives and employees and the United States of America, including its departments, agencies, and instrumentalities (each an “Indemnified Person”) from and against 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 Interconnection Customer's action or inactions of its obligations under this Agreement on behalf of the Indemnifying Party, except as pre-empted by federal law or in cases of gross negligence or intentional wrongdoing by the indemnified Party.

- 12.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Section as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 12.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Section, 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.
- 12.3 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 this Section may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.
- 13.0 Consequential Damages. In no event shall either Party 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.
- 14.0 Representations, Warranties and Covenants. Each Party makes the following representations, warranties and covenants:
 - 14.1 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 in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement 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 Agreement.

- 14.2 Authority. Such Party has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement 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).
- 14.3 No Conflict. The execution, delivery and performance of this Agreement 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.
- 14.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this Agreement 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 Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.
- 15.0 Miscellaneous.
- 15.1 Confidentiality. This Agreement is subject to the confidentiality provisions in Section 13.1 of the LGIP.
- 15.2 Disputes. This Agreement is subject to the confidentiality provisions in Section 13.5 of the LGIP
- 15.3 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 15.4 Entire Agreement. This Agreement, including all Attachments attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.
- 15.5 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.

- 15.6 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

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

- 15.7 Headings. The descriptive headings of the various Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 15.8 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.
- 15.9 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.
- 15.10 Modification by the Parties. The Parties may by mutual agreement amend the Attachments to this Agreement by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.
- 15.11 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.
- 15.12 Consistency with Federal Laws and Regulations. Nothing in this Agreement shall compel any person or federal entity to: (1) violate Federal statutes or regulations; or (2) in the case of a Federal agency, to exceed its statutory authority, as defined by any applicable Federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Agreement is inconsistent with any obligation imposed on any person or Federal entity by Federal law or regulation to that extent, it shall be inapplicable to that person or Federal entity. No person or Federal entity shall incur any liability by failing to comply with this Agreement that is inapplicable to it by reason of being inconsistent with any Federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however,

that such person or Federal entity shall use its best efforts to comply with the Agreement to the extent that applicable Federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.

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.

TENNESSEE VALLEY AUTHORITY

[INSERT NAME]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment A To Appendix 7
Transitional Cluster Study Agreement

DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER
WITH THE
TRANSITIONAL CLUSTER STUDY AGREEMENT

Provide location plan and simplified one-line diagram of the plant and station facilities. The one-line diagram should be consistent with any drawings submitted with the Interconnection Request upon which the Cluster Study or Restudy was based.

One set of metering is required for each generation connection to the new ring bus or existing TVA 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 Programmable Logic Controller (PLC) will be located at Interconnection Customer's Large Generating Facility?

What protocol does the control system or PLC use? _____

Please provide a General Arrangement & Site Plan. Sketch the plant, station, transmission line, and property line. Include latitude/longitude at the POI on plan. Latitude/longitude should be consistent with any drawings submitted with the Interconnection Request upon which the Cluster Study or Restudy was based.

Physical dimensions of the proposed interconnection station:

Bus length from generation to Interconnection Customer's interconnection station:

Gen-tie line length in miles from Interconnection Customer's interconnection station to TVA's demarcation structure.

Transmission Line Structure Number observed in the field. (Noted on structure)*

Number of third-party easements required for transmission lines*: _____

* To be completed in coordination with TVA.

Is the Large Generating Facility in TVA's service area?

Yes ___ No ___ Local Power Company: _____

Please provide proposed schedule dates:

Gen-Tie and Sub Detailed Engineering Start	Date:
Gen-Tie and Sub Detailed Engineering Complete	Date:
Land Options Executed	Date:
IC Switch House Available for TVA Equipment Installation (Set up with power and communication hookups)	Date:
Generator step-up transformer receives back feed power	Date:
Initial Synchronization Date	Date:
Performance Testing Readiness	Date:
Commercial Operation Date	Date:

APPENDIX 8 to LGIP

TRANSITIONAL SERIAL 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 Tennessee Valley Authority, a corporate agency and instrumentality of the United States of America created by and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (“TVA”). Interconnection Customer and TVA 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, the Generating Facility being proposed by Interconnection Customer is a <value> MW <type of generator> which is listed as <number> in TVA’s interconnection queue; and

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

WHEREAS, Interconnection Customer has requested TVA to continue processing its Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the final interconnection system impact study (from the previously effective serial study process) in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System; and

WHEREAS, Interconnection Customer has requested TVA 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 Cluster Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System; and

WHEREAS, TVA has provided an Interconnection Facilities Study Agreement to Interconnection Customer on or before November 1, 2024;

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 this LGIP.

- 2.0 Interconnection Customer elects and TVA shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed.
- 3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A to this Agreement, which shall be the same assumptions as the previous Interconnection Facilities Study Agreement executed by Interconnection Customer. Any modifications to the assumptions contained in the previous [Interconnection Request/Interconnection Facilities Study Agreement] are subject to the provisions of Section 4.4 of this LGIP.
- 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 Cluster Study. The time for completion of the Interconnection Facilities Study shall be no later than one hundred fifty (150) Calendar Days after the effective date of this Agreement.
- 5.0 Interconnection Customer has met the requirements described in Section 5.1.1.1 of this LGIP. Along with this executed Agreement, Interconnection Customer shall provide to TVA:
- (1) A deposit equal to one hundred percent (100%) of the costs identified for all Interconnection Facilities and Network Upgrades in Interconnection Customer's system impact study report. The deposit shall be in the form of an irrevocable letter of credit, cash or other form of security that is acceptable to TVA.
- (2) Demonstration of Exclusive Site Control for 100% of the proposed Generating Facility.
- 6.0 Interconnection Customer previously provided a study deposit of _____ dollars (\$_____) for the performance of the Interconnection Facilities Study. If Interconnection Customer did not previously provide a study deposit, Interconnection Customer shall provide a study deposit of \$150,000.
- 7.0 Upon receipt of the Interconnection Facilities Study results, TVA shall charge and Interconnection Customer shall pay the actual costs, including applicable overheads, of the Interconnection Facilities Study.
- 8.0 Any difference between the study deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.
- 9.0 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Party under this Agreement, Interconnection Customer represents and warrants that, to the best of its knowledge, the information it provides to the other Party shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Party with any additional information needed to update information previously provided.

- 10.0 Term and Termination. This Agreement shall be effective from the date executed by the Parties and unless earlier terminated in accordance with this Section 10.0, shall continue in effect until the Transitional Serial Interconnection Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request pursuant to Section 3.7 of the LGIP. TVA may terminate this Agreement fifteen (15) Business Days after providing written notice to the Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) Business Day period. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments for costs incurred pursuant to this Agreement and to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect.
- 11.0 Force Majeure. Neither Party shall be considered to be in Default with respect to any obligation hereunder, 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 by email and 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 by email 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.
- 12.0 Indemnity. Interconnection Customer (the "Indemnifying Party") shall at all times indemnify, defend, and hold harmless TVA and its directors, officers, representatives and employees and the United States of America, including its departments, agencies, and instrumentalities (each an "Indemnified Person") from and against 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 Interconnection Customer's action or inactions of its obligations under this Agreement on behalf of the Indemnifying Party, except as pre-empted by federal law or in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 12.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Section as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of

any judgment with respect to, or pay in full, such claim.

- 12.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Section, 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.
- 12.3 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 this Section may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.
- 13.0 Consequential Damages. In no event shall either Party 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.
- 14.0 Representations, Warranties and Covenants. Each Party makes the following representations, warranties and covenants:
 - 14.1 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 in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement 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 Agreement.
 - 14.2 Authority. Such Party has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement 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).

- 14.3 No Conflict. The execution, delivery and performance of this Agreement 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.
- 14.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this Agreement 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 Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.
- 15.0 Miscellaneous.
- 15.1 Confidentiality. This Agreement is subject to the confidentiality provisions in Section 13.1 of the LGIP.
- 15.2 Disputes. This Agreement is subject to the dispute provisions in Section 13.5 of the LGIP.
- 15.3 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 15.4 Entire Agreement. This Agreement, including all Attachments attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.
- 15.5 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.
- 15.6 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Termination or Default of this Agreement for any reason

by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from TVA. Any waiver of this Agreement shall, if requested, be provided in writing.

- 15.7 Headings. The descriptive headings of the various Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 15.8 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.
- 15.9 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.
- 15.10 Modification by the Parties. The Parties may by mutual agreement amend the Attachments to this Agreement by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.
- 15.11 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.
- 15.12 Consistency with Federal Laws and Regulations. Nothing in this Agreement shall compel any person or federal entity to: (1) violate Federal statutes or regulations; or (2) in the case of a Federal agency, to exceed its statutory authority, as defined by any applicable Federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Agreement is inconsistent with any obligation imposed on any person or Federal entity by Federal law or regulation to that extent, it shall be inapplicable to that person or Federal entity. No person or Federal entity shall incur any liability by failing to comply with this Agreement that is inapplicable to it by reason of being inconsistent with any Federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however, that such person or Federal entity shall use its best efforts to comply with the Agreement to the extent that applicable Federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.

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.

TENNESSEE VALLEY AUTHORITY

[INSERT NAME]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment A To Appendix 8

Transitional Serial Interconnection Facilities Study Agreement

**ASSUMPTIONS USED IN CONDUCTING THE TRANSITIONAL SERIAL
INTERCONNECTION FACILITIES STUDY**

[Assumptions to be completed by Interconnection Customer and TVA]

APPENDIX 9 to LGIP
TWO-PARTY AFFECTED SYSTEM 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 _____, (“Affected System Interconnection Customer,”) Tennessee Valley Authority, a corporate agency and instrumentality of the United States of America created by and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (“TVA”). Affected System Interconnection Customer and TVA each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a [description of generating facility or generating capacity addition to an existing generating facility] consistent with the interconnection request submitted by Affected System Interconnection Customer to [name of host transmission provider], dated _____, for which [name of host transmission provider] found impacts on TVA’s Transmission System; and

WHEREAS, the Generating Facility being proposed by Interconnection Customer is a <value> MW <type of generator> which is listed as <number> in TVA’s Affected System Interconnection Queue; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the [generating facility] with [name of host transmission provider]’s transmission system;

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 this LGIP.
- 2.0 TVA shall coordinate with Affected System Interconnection Customer to perform an Affected System Study consistent with Section 9 of this LGIP.
- 3.0 The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customer and [name of host transmission provider]. TVA reserves the right to request additional technical information from Affected System Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.
- 5.0 The Affected System Study shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of minimum short circuit ratios;
- 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;
- non-binding, good faith estimated cost and time required to construct facilities required on TVA's Transmission System to accommodate the interconnection of the [generating facility] to the transmission system of the host transmission provider; and
- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customer shall provide a deposit of \$75,000 for performance of the Affected System Study. TVA will invoice Interconnection Customer on a monthly basis for the work to be conducted pursuant to this Agreement beginning with the first month in which total actual costs, including applicable overheads, incurred by TVA in performing the Affected System Study exceed the study deposit. Interconnection Customers shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice. Interest on late payments will be calculated in accordance with the United States Prompt Payment Act (31 U.S.C. §§ 3901-3907). Upon receipt of the results of the Affected System Study any difference between the deposit and the actual cost, including applicable overheads, of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customer, as appropriate.

7.0 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Party under this Agreement, Affected System Interconnection Customer represents and warrants that, to the best of its knowledge, the information it provides to the other Party shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Party with any additional information needed to update information previously provided.

8.0 Term and Termination. This Agreement shall be effective from the date executed by the Parties and unless earlier terminated in accordance with this Section 8.0, shall continue in effect until the Affected System Study is completed. This Agreement shall automatically terminate upon the withdrawal of Interconnection Request pursuant to Section 3.7 of the LGIP. TVA may terminate this Agreement fifteen (15) Business Days after providing written notice to the Affected System Interconnection Customer that it has breached one of its obligations hereunder, if the breach has not been cured within such fifteen (15) Business Day period. This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments for costs incurred pursuant to this

Agreement and to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect.

- 9.0 Force Majeure. Neither Party shall be considered to be in Default with respect to any obligation hereunder, 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 by email and 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 by email 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.
- 10.0 Indemnity. Affected System Interconnection Customer (the “Indemnifying Party”) shall at all times indemnify, defend, and hold harmless TVA and its directors, officers, representatives and employees and the United States of America, including its departments, agencies, and instrumentalities (each an “Indemnified Person”) from and against 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 Affected System Interconnection Customer’s action or inactions of its obligations under this Agreement on behalf of the Indemnifying Party, except as pre-empted by federal law or in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 10.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Section as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 10.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Section, 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.
- 10.3 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 this Section may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

- 11.0 Consequential Damages. In no event shall either Party 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.
- 12.0 Representations, Warranties and Covenants. Each Party makes the following representations, warranties and covenants:
 - 12.1 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 in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement 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 Agreement.
 - 12.2 Authority. Such Party has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement 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).
 - 12.3 No Conflict. The execution, delivery and performance of this Agreement 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.
 - 12.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this Agreement 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 Agreement, and it will provide to any Governmental Authority notice of any actions

under this Agreement that are required by Applicable Laws and Regulations.

13.0 Miscellaneous.

- 13.1 Confidentiality. This Agreement is subject to the confidentiality provisions in Section 13.1 of the LGIP.
- 13.2 Disputes. This Agreement is subject to the dispute provisions in Section 13.5 of the LGIP.
- 13.3 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 13.4 Entire Agreement. This Agreement, including all Attachments attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.
- 13.5 No Third-Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 13.6 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Termination or Default of this Agreement for any reason by Affected System Interconnection Customer shall not constitute a waiver of Affected System Interconnection Customer's legal rights to obtain an interconnection from TVA. Any waiver of this Agreement shall, if requested, be provided in writing.
- 13.7 Headings. The descriptive headings of the various Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

- 13.8 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 13.9 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.
- 13.10 Modification by the Parties. The Parties may by mutual agreement amend the Attachments to this Agreement by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.
- 13.11 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.
- 13.12 Consistency with Federal Laws and Regulations. Nothing in this Agreement shall compel any person or federal entity to: (1) violate Federal statutes or regulations; or (2) in the case of a Federal agency, to exceed its statutory authority, as defined by any applicable Federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Agreement is inconsistent with any obligation imposed on any person or Federal entity by Federal law or regulation to that extent, it shall be inapplicable to that person or Federal entity. No person or Federal entity shall incur any liability by failing to comply with this Agreement that is inapplicable to it by reason of being inconsistent with any Federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however, that such person or Federal entity shall use its best efforts to comply with the Agreement to the extent that applicable Federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.

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.

TENNESSEE VALLEY AUTHORITY

[INSERT NAME]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment A To Appendix 9
Two-Party Affected System Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE
AFFECTED SYSTEM STUDY

The Affected System Study will be based upon the following assumptions:

[Assumptions to be completed by Affected System Interconnection Customer and TVA]

APPENDIX 10 to LGIP

MULTIPARTY AFFECTED SYSTEM 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 _____, (“Affected System Interconnection Customer”); _____, a _____ organized and existing under the laws of the State of _____, (“Affected System Interconnection Customer”); and Tennessee Valley Authority, a corporate agency and instrumentality of the United States of America created by and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (“TVA”). Affected System Interconnection Customers and TVA each may be referred to as a “Party,” or collectively as the “Parties.” When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as “Affected System Interconnection Customer” or collectively as the “Affected System Interconnection Customers.”

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop [description of generating facilities or generating capacity additions to an existing generating facility], consistent with the interconnection requests submitted by Affected System Interconnection Customers to [name of host transmission provider], dated _____, for which [name of host transmission provider] found impacts on TVA’s Transmission System; and

WHEREAS, [the Generating Facility being proposed by Interconnection Customer(s) is a <value> MW <type of generator> which is listed as <number> in TVA’s Affected System Interconnection Queue / the Generating Facilities being proposed by Interconnection Customer(s) are (1) a <value> MW <type of generator> which is listed as <number> in TVA’s Affected System Interconnection Queue and (2) a <value> MW <type of generator> which is listed as <number> in TVA’s Affected System Interconnection Queue]; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the [generating facilities] with [name of host transmission provider]’s transmission system;

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 this LGIP.
- 2.0 Transmission Provider shall coordinate with Affected System Interconnection Customers to perform an Affected System Study consistent with Section 9 of this LGIP.
- 3.0 The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

- 4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customers and [name of host transmission provider]. TVA reserves the right to request additional technical information from Affected System Interconnection Customers as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.
- 5.0 The Affected System Study shall provide the following information:
- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of minimum short circuit ratios;
 - 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;
 - non-binding, good faith estimated cost and time required to construct facilities required on TVA's Transmission System to accommodate the interconnection of the [generating facility] to the transmission system of the host transmission provider; and
 - description of how such facilities will address the identified short circuit, instability, and power flow issues.
- 6.0 Affected System Interconnection Customers shall each provide a deposit of \$75,000 for performance of the Affected System Study. TVA will invoice Interconnection Customer on a monthly basis for the work to be conducted pursuant to this Agreement beginning with the first month in which total actual costs, including applicable overheads, incurred by TVA in performing the Affected System Study exceed the study deposit. Interconnection Customers shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice. Interest on late payments will be calculated in accordance with the United States Prompt Payment Act (31 U.S.C. §§ 3901-3907). Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customers, any difference between the deposit and the actual cost, including applicable overheads, of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customers, as appropriate.
- 7.0 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Party under this Agreement, Affected System Interconnection Customer represents and warrants that, to the best of its knowledge, the information it provides to the other Party shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Party with any additional information needed to update information previously provided.

8.0 Term and Termination.

8.1 This Agreement shall be effective from the date executed by the Parties and unless earlier terminated in accordance with this Section 8.0, shall continue in effect until the Multiparty Affected System Study is completed.

8.2 TVA may terminate this Agreement upon the withdrawal of the Affected System Interconnection Customers' Queue Position or upon TVA's receipt of notice that the Affected System Interconnection Customers' projects have been withdrawn from the region in which they propose to interconnect.

8.3 Default by one or more Affected System Interconnection Customers shall not provide the other Affected System Interconnection Customer(s), either individually or in concert, with the right to terminate the entire Agreement. The non-Defaulting Party/Parties may, individually or in concert, initiate the removal of an Affected System Interconnection Customer that is a Defaulting Party from this Agreement. TVA shall not terminate this Agreement or the participation of any Affected System Interconnection Customer without provision being made for TVA to be fully reimbursed for all of its costs incurred under this Agreement.

8.4 This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments for costs incurred pursuant to this Agreement and to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect.

9.0 Force Majeure. No Party shall be considered to be in Default with respect to any obligation hereunder, 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 by email and 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 by email 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.

10.0 Indemnity. Each Affected System Interconnection Customer (the "Indemnifying Party") shall at all times indemnify, defend, and hold harmless TVA and its directors, officers, representatives and employees and the United States of America, including its departments, agencies, and instrumentalities (each an "Indemnified Person") from and against 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 an Affected

System Interconnection Customer's action or inactions of its obligations under this Agreement on behalf of the Indemnifying Party, except as pre-empted by federal law or in cases of gross negligence or intentional wrongdoing by the indemnified Party.

- 10.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Section as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 10.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Section, 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.
- 10.3 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 this Section may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.
- 11.0 Consequential Damages. In no event shall a Party 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 another Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.
- 12.0 Representations, Warranties and Covenants. Each Party makes the following representations, warranties and covenants:
 - 12.1 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 in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement 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 Agreement.

- 12.2 Authority. Such Party has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement 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).
- 12.3 No Conflict. The execution, delivery and performance of this Agreement 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.
- 12.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this Agreement 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 Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.
- 13.0 Miscellaneous.
- 13.1 Confidentiality. This Agreement is subject to the confidentiality provisions in Section 13.1 of the LGIP.
- 13.2 Disputes. This Agreement is subject to the dispute provisions in Section 13.5 of the LGIP
- 13.3 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 13.4 Entire Agreement. This Agreement, including all Attachments attached hereto, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, among 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.
- 13.5 No Third-Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

- 13.6 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

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

- 13.7 Headings. The descriptive headings of the various Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 13.8 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 13.9 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.
- 13.10 Modification by the Parties. The Parties may by mutual agreement amend the Attachments to this Agreement by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.
- 13.11 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership among the Parties or to impose any partnership obligation or partnership liability upon either Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.
- 13.12 Consistency with Federal Laws and Regulations. Nothing in this Agreement shall compel any person or federal entity to: (1) violate Federal statutes or regulations; or (2) in the case of a Federal agency, to exceed its statutory authority, as defined by any applicable Federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Agreement is inconsistent with any obligation imposed on any person or Federal entity by Federal law or regulation to that extent, it shall be inapplicable to that person or Federal entity. No person or Federal entity shall incur any liability by failing to comply with this Agreement that is inapplicable to it by reason of being inconsistent with any Federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however, that such person or Federal entity shall use its best efforts to comply with

the Agreement to the extent that applicable Federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.

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

[INSERT NAME]

By: _____

Print Name: _____

Title: _____

Date: _____

[INSERT NAME]

By: _____

Print Name: _____

Title: _____

Date: _____

TENNESSEE VALLEY AUTHORITY

By: _____

Print Name: _____

Title: _____

Date: _____

Attachment A To Appendix 10
Multiparty Affected System Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE
MULTIPARTY AFFECTED SYSTEM STUDY

The Affected System Study will be based upon the following assumptions:

[Assumptions to be completed by Affected System Interconnection Customers and TVA]

APPENDIX 11 TO LGIP

TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION 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 _____, (“Affected System Interconnection Customer,”) and Tennessee Valley Authority, a corporate agency and instrumentality of the United States of America created by and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (“TVA”). Interconnection Customer and TVA each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a [description of generating facility or generating capacity addition to an existing generating facility] consistent with the interconnection request submitted by Affected System Interconnection Customer to [name of host transmission provider], dated _____, for which [name of host transmission provider] found impacts on TVA’s Transmission System; and

WHEREAS, the Generating Facility being proposed by Interconnection Customer is a <value> MW <type of generator> which is listed as <number> in TVA’s Affected System interconnection queue; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the [generating facility] with [name of host transmission provider]’s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of TVA’s Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customer has requested, and TVA has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

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

ARTICLE 1 DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this LGIP.

ARTICLE 2 TERM OF AGREEMENT

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties.

2.2 Term.

- 2.2.1 General.** This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the final repayment, where applicable, by TVA of the amount funded by Affected System Interconnection Customer for TVA's design, procurement, construction and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected System Interconnection Customer terminates this Agreement after providing TVA with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customer has no outstanding contractual obligations to TVA under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if (1) the commercial operation date for the [generating facility] is adjusted in accordance with the rules and procedures established by [name of host transmission provider] or (2) the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by TVA.
- 2.2.2 Termination Upon Default.** Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, the non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, TVA may not terminate this Agreement if Affected System Interconnection Customer is the Defaulting Party and compensates TVA within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer by TVA for any such damages, including costs and expenses, incurred by TVA as a result of such Default.
- 2.2.3 Consequences of Termination.** In the event of a termination by either Party, other than a termination by Affected System Interconnection Customer due to a Default by TVA, Affected System Interconnection Customer shall be responsible for the payment to TVA of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by TVA in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which TVA reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of TVA's Transmission System. TVA shall use Reasonable Efforts to minimize such costs.

- 2.3 Survival.** This Agreement 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 Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.
- 2.4 Termination Obligations.** Upon any termination pursuant to this Agreement, Affected System Interconnection Customer shall be responsible for the payment of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration.

ARTICLE 3

CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 TVA Obligations. TVA shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customer shall pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by TVA pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. TVA shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 No Right to Suspend. Affected System Interconnection Customer must provide to TVA written notice of any request for suspension of work on the [name of host transmission provider]’s Transmission System. However, Affected System Interconnection Customer has no corresponding right to suspend work under this Agreement. If Affected System Interconnection Customer requests suspension on the [name of host transmission provider]’s Transmission System, the Interconnection Customer may elect to (1) continue with the Affected System Network Upgrade(s) identified in this Agreement; or (2) terminate this Agreement. If the Affected System Interconnection Customer chooses to terminate this Agreement but subsequently elects to have [name of host transmission provider] recommence work on the [name of host transmission provider]’s Transmission System, it must execute a new Affected System Study Agreement with TVA.

3.1.2.2 [Reserved].

3.1.2.3 Right to Suspend Due to Default. TVA reserves the right, upon written notice to Affected System Interconnection Customer, to suspend, at any time, work by TVA due to Default by Affected System Interconnection Customer. Affected System Interconnection Customer shall be responsible for any additional expenses incurred by TVA associated with the construction and installation of the Affected System Network Upgrade(s) (as set forth in Article 2.2.3) upon the occurrence of either a Breach that Affected System Interconnection Customer is unable to cure pursuant to Article 5 or a Default pursuant to Article 5. Any form of suspension by TVA shall not be barred by Articles 2.2.2, 2.2.3, or 5.2.2, nor shall it affect TVA's right to terminate the work or this Agreement pursuant to Article 6.

3.1.3 Construction Status. TVA shall keep Affected System Interconnection Customer advised periodically as to the progress of its design, procurement and construction efforts, as described in Appendix A. Affected System Interconnection Customer may, at any time and reasonably, request a progress report from TVA. If, at any time, Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, Affected System Interconnection Customer will provide written notice to TVA of such later date upon which the completion of the Affected System Network Upgrade(s) would be required. TVA may delay the in-service date of the Affected System Network Upgrade(s) accordingly.

3.1.4 Timely Completion. TVA shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), TVA shall promptly notify Affected System Interconnection Customer. In such circumstances, TVA shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customer to evaluate the alternatives available to Affected System Interconnection Customer. TVA shall, at Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customer authorizes such actions, such authorization to be withheld, conditioned, or delayed by Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the Affected System Interconnection Customer funds costs associated therewith in advance.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customer shall pay to TVA actual costs, including applicable overheads, associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Unless TVA elects to fund the Affected

System Network Upgrade(s), they shall be initially funded by Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customer or TVA, TVA shall, at Affected System 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 to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.2.2 Reimbursement.

3.2.2.1 Reimbursement. Consistent with Articles 11.4.1 and 11.4.2 of TVA's pro forma LGIA, Affected System Interconnection Customer shall be entitled to a cash reimbursement by TVA equal to the total amount paid to TVA, if any, for the Affected System Network Upgrade(s), to be reimbursed to Affected System Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, if and when payments are made under TVA's Transmission Service Guidelines for transmission services with respect to the Generating Facility.. Any such reimbursement from TVA shall not include interest. Affected System Interconnection Customer may assign such repayment rights to any person.

ARTICLE 4 SECURITY, BILLING AND PAYMENT

4.1 Provision of Security. Prior to or on the execution date of this Agreement, Affected System Interconnection Customer shall provide TVA a cash deposit or letter of credit or other form of security that is acceptable to TVA and is consistent with the applicable Uniform Commercial Code(s). Any letter of credit must be in a form approved by TVA, and issued by a financial institution acceptable to TVA and must specify a reasonable expiration date. For a financial institution to be acceptable to TVA, it must be a U.S. commercial bank domiciled in the United States, or a U.S. branch of a foreign bank, and must have credit ratings for its senior unsecured long-term debt not supported by third-party enhancements of at least two of (1) "A2" or higher from Moody's, (2) "A" or higher from Standard & Poor's, or (3) "A" or higher from Fitch.]. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s). TVA may use, draw upon or apply the security provided by Affected System Interconnection Customer to pay costs

TVA incurs as a result of Affected System Interconnection Customer's failure to perform its obligations hereunder. Upon any use, draw or application of any security by TVA, Affected System Interconnection Customer shall replenish the amount such security within twenty (20) Days. Security provided must have a minimum term of one (1) year. Affected System Interconnection Customer shall at least forty-five (45) Days before the expiration date of any security either replace such security or amend the term to have a minimum term of at least one (1) year. If Affected System Interconnection Customer does not do so, TVA may draw up to the full amount of such security and hold the cash as cash security. The timing of and adjustments to Affected System Interconnection Customer's security is set forth in Section 1.4 of Attachment A to this Agreement. .

- 4.2 Invoice.** Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.
- 4.3 Payment.** Invoices shall be rendered to the paying Party at the address specified by the Parties. 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 a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.
- 4.4 Final Invoice.** Within six (6) months after completion of the construction of the Affected System Network Upgrade(s), TVA shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. TVA shall refund, without interest, to Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.
- 4.5 Payment During Dispute.** In the event of a billing dispute among the Parties, TVA shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to TVA the portion of the invoice in dispute, pending resolution of such dispute. Affected System Interconnection Customer may only dispute any invoice by providing written notice of its dispute thereof to TVA within ninety (90) days of the date of such invoice, with such notice including the reasons for the, and amounts in,

dispute. If Affected System Interconnection Customer does not provide such written notice of dispute within such ninety (90) day period, Affected System Interconnection Customer may not dispute such invoice. If an Affected System Interconnection Customer fails to meet these two requirements, then TVA may provide notice to that Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated at the rate and in the manner specified in the United States Prompt Payment Act (31 U.S.C. §§ 3901-3907).

ARTICLE 5 BREACH, CURE AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement shall include the:

- (a) Failure to pay any amount when due;
- (b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;
- (c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or
- (d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, the Party not in Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the "Cure Period") which shall be sixty (60) Calendar Days.

5.3.2 In the event the Breaching Party fails to cure within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non- Defaulting Party may terminate this Agreement or take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of a Default, the non-Defaulting Party shall be entitled to exercise all rights and remedies it may

have in equity or at law.

ARTICLE 6

TERMINATION OF AGREEMENT

6.1. Expiration of Term. Except as otherwise specified in this Article 6, the Parties' obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2. Termination. In addition to the termination provisions set forth in Article 2.2 and Article 3.1.2.1, a Party may terminate this Agreement upon the Default of the other Party in accordance with Article 5.3.2 of this Agreement.

6.3. Disposition of Facilities Upon Termination of Agreement.

6.3.1 TVA Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, TVA:

- (a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);
- (b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,
- (c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of TVA's Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by TVA, Affected System Interconnection Customer shall reimburse TVA for any costs incurred by TVA in performance of the actions required or permitted by Article 6.3.1 and for the cost of any Affected System Network Upgrade(s) described in Appendix A. TVA shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Affected System Interconnection Customer shall pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), TVA may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case TVA shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that Affected System Interconnection Customer has already paid TVA for any or all of such costs, TVA shall refund Affected System Interconnection Customer for those payments. If TVA elects to not retain any portion of such facilities, TVA shall convey and make available to Affected System Interconnection Customer such facilities as soon as

practicable after Affected System Interconnection Customer's payment for such facilities.

- 6.4 Survival of Rights.** Termination or expiration of this Agreement shall not relieve either Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7 SUBCONTRACTORS

- 7.1 Subcontractors.** Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, 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.

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8 CONFIDENTIALITY

- 8.1 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 to the other Party prior to the execution of this Agreement.

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. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing 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.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 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 non-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 Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, including the Freedom of Information Act, 5 U.S.C. § 552, as amended, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer, or to potential purchasers or assignees of Affected System Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 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 8.

- 8.1.4 Rights.** Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 8.1.5 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 this Agreement or its regulatory requirements.
- 8.1.6 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 disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. 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.
- 8.1.7 Termination of Agreement.** Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business 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 requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.
- 8.1.8 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 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the breaching 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 8, but it 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. Neither 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 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR §1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, 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 §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 Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the Agreement 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 §388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) 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; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as the transmission provider or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

8.1.11 CEII. Affected System Interconnection Customer certifies on behalf of itself and its employees, agents and representatives that it and they are aware of the requirements of 18 C.F.R. Part 388. Affected System Interconnection Customer

further certifies that after diligent review of 18 C.F.R. Part 388, it has no reason to believe that it or any of its employees, agents or representatives who may be granted access to CEII, if any, would be restricted from access to such CEII pursuant to 18 C.F.R. Part 388. Affected System Interconnection Customer must notify TVA within one Business Day if it or any of its employees, agents or representatives who may be granted access to CEII, if any, would be restricted from access to such CEII pursuant to 18 C.F.R. Part 388.

8.1.12 FOIA. In response to any Freedom of Information Act (“FOIA”) request to TVA for information received from or relating to Affected System Interconnection Customer and designated by Affected System Interconnection Customer as proprietary or confidential, TVA shall evaluate the requested information and determine the applicability of any FOIA exemptions, including, but not limited to 5 U.S.C. § 552(b)(4). If TVA determines that a FOIA exemption may apply to the information, TVA will follow the process outlined in TVA’s FOIA regulations (18 C.F.R. § 1301.8) regarding handling of Confidential commercial information. TVA will make the final determination on whether the requested information is exempt from disclosure under FOIA and shall notify Affected System Interconnection Customer accordingly in advance of release of any of the information.

ARTICLE 9 INFORMATION ACCESS AND AUDIT RIGHTS

- 9.1 Information Access.** Each Party shall make available to the other Party information necessary to verify the costs incurred by the other Party for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.
- 9.2 Audit Rights.** Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following TVA’s issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customer at its expense shall have the right, during normal business hours, and upon prior reasonable notice to TVA, to audit such accounts and records. Any audit authorized by this Article 9.2 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 obligations under this Agreement.

ARTICLE 10 NOTICES

- 10.1 General.** Any notice, demand, or request required or permitted to be given by a Party to the other Party, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may

be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To TVA:

To Affected System Interconnection Customer:

10.2 Billings and Payments. Billings and payments shall be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

10.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other Party 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 below:

To TVA:

To Affected System Interconnection Customer:

ARTICLE 11 INDEMNITY, CONSEQUENTIAL DAMAGES

11.1 Indemnity. Interconnection Customer (the “Indemnifying Party”) shall at all times indemnify, defend, and hold TVA and its directors, officers, representatives and employees and the United States of America, including its departments, agencies, and instrumentalities (each an “Indemnified Person”) from and against 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 Interconnection Customer’s action or inactions of its obligations under this Agreement on behalf of the Indemnifying Party, except as pre-empted by federal law or in cases of gross negligence or intentional wrongdoing by the indemnified Party.

11.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Section 11.1 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

11.1.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Section 11.3, 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.

11.1.3 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 Section 11.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

11.2 Consequential Damages. In no event shall either Party 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.

ARTICLE 12 MISCELLANEOUS

12.1 Accuracy of Information. Except as a Party ("Providing Party") may otherwise specify in writing when it provides information to the other Party under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Party shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Party with any additional information needed to update information previously provided.

12.2 Force Majeure. Neither Party shall be considered to be in Default with respect to any obligation hereunder, 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 by email and 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 by email 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.

12.3 Representations, Warranties and Covenants. Each Party makes the following representations, warranties and covenants:

12.3.1 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 in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement 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 Agreement.

12.3.2 Authority. Such Party has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement 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).

12.3.3 No Conflict. The execution, delivery and performance of this Agreement 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.

12.3.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this Agreement 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 Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.

12.4 Disputes. In the event a Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Parties. 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, a Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Agreement. Any legal or equitable action related to this Agreement shall be brought in the United States District Court for the Eastern District of Tennessee and THE PARTIES HEREBY WAIVE: (a) ANY OBJECTION TO THAT COURT'S JURISDICTION OVER THEM, OR THAT VENUE IS PROPER IN SUCH COURT, and (b) ANY RIGHT TO A

JURY TRIAL. This Section 12.2 is not a “Disputes” clause within the meaning of the Contract Disputes Act of 1978, 41 U.S.C. §§ 601- 613 (“CDA”), and this Agreement is not subject to the provisions of the CDA.

- 12.5 Binding Effect.** This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 12.6 Entire Agreement.** This Agreement, including all Attachments attached hereto, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, among 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.
- 12.7 No Third-Party Beneficiaries.** This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 12.8 Waiver.** The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- Any waiver at any time by a Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Termination or Default of this Agreement for any reason by Affected System Interconnection Customer shall not constitute a waiver of Affected System Interconnection Customer’s legal rights to obtain an interconnection from TVA. Any waiver of this Agreement shall, if requested, be provided in writing.
- 12.9 Headings.** The descriptive headings of the various Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 12.10 Multiple Counterparts.** This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 12.11 Amendment.** The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.
- 12.12 Modification by the Parties.** The Parties may by mutual agreement amend the Attachments to this Agreement by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.

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

12.14 Consistency with Federal Laws and Regulations. Nothing in this Agreement shall compel any person or federal entity to: (1) violate Federal statutes or regulations; or (2) in the case of a Federal agency, to exceed its statutory authority, as defined by any applicable Federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Agreement is inconsistent with any obligation imposed on any person or Federal entity by Federal law or regulation to that extent, it shall be inapplicable to that person or Federal entity. No person or Federal entity shall incur any liability by failing to comply with this Agreement that is inapplicable to it by reason of being inconsistent with any Federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however, that such person or Federal entity shall use its best efforts to comply with the Agreement to the extent that applicable Federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.

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

TENNESSEE VALLEY AUTHORITY

[INSERT NAME]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Two-Party Affected System Facilities Construction Agreement

**AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND
RESPONSIBILITY, CONSTRUCTION SCHEDULE AND MONTHLY
PAYMENT SCHEDULE**

This Attachment A is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and TVA.

1.1 Affected System Network Upgrade(s) to be installed by TVA.

[description]

1.2 First Equipment Order (including permitting).

[description]

1.2.1. Permitting and Land Rights – TVA Affected System Network Upgrade(s)

[description]

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 1: TVA Construction Activities

MILESTONE NUMBER	DESCRIPTION	START DATE	END DATE

Note: Construction schedule assumes that TVA has obtained final authorizations and security from Affected System Interconnection Customer and all necessary permits from Governmental Authorities, and has completed all required environmental reviews, as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customer's Payments and Security.

[description]

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customer's payment schedule is as follows.

[description]

Table 2: Affected System Interconnection Customer's Payment/Security Obligations for Affected System Network Upgrade(s).

MILESTONE NUMBER	DESCRIPTION	DATE

Note: Affected System Interconnection Customer's payment or provision of security as provided in this Agreement operates as a condition precedent to TVA's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

[description]

Attachment B to Appendix 11

Two-Party Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

This Attachment B is a part of the Affected Systems Facilities Construction Agreement between Affected System Interconnection Customer and TVA. Where applicable, when TVA has completed construction of the Affected System Network Upgrade(s), TVA shall send notice to Affected System Interconnection Customer in substantially the form following:

[Date]

[Affected System Interconnection Customer Address]

Re: Completion of Affected System Network Upgrade(s)

Dear [Name or Title]:

This letter is sent pursuant to the Affected System Facilities Construction Agreement between [TVA] and [Affected System Interconnection Customer], dated _____, 20____.

On [Date], TVA completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's [description of generating facility]. TVA confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

[Signature]

[TVA Representative]

Attachment C to Appendix 11

Two-Party Affected System Facilities Construction Agreement

EXHIBITS

This Attachment C is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and TVA.

Exhibit A1

TVA Site Map

Exhibit A2

Site Plan

Exhibit A3

Affected System Network Upgrade(s) Plan & Profile

Exhibit A4

Estimated Cost of Affected System Network Upgrade(s)

Location	Facilities To Be Constructed By TVA	Estimate In Dollars
		Total:

APPENDIX 12 TO LGIP

MULTIPARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION 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 _____, (“Affected System Interconnection Customer”); _____, a _____ organized and existing under the laws of the State of _____, (“Affected System Interconnection Customer”); and Tennessee Valley Authority, a corporate agency and instrumentality of the United States of America created by and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (“TVA”). Affected System Interconnection Customers and TVA each may be referred to as a “Party,” or collectively as the “Parties.” When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as “Affected System Interconnection Customer” or collectively as the “Affected System Interconnection Customers.”

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop [description of generating facilities or generating capacity additions to an existing generating facility], consistent with the interconnection requests submitted by Affected System Interconnection Customers to [name of host transmission provider], dated _____, for which [name of host transmission provider] found impacts on TVA’s Transmission System; and

WHEREAS [the Generating Facility being proposed by Affected System Interconnection Customer(s) is a <value> MW <type of generator> which is listed as <number> in TVA’s Affected System Interconnection Queue/ the Generating Facilities being proposed by Interconnection Customer(s) are (1) a <value> MW <type of generator> which is listed as <number> in TVA’s Affected System Interconnection Queue and (2) a <value> MW <type of generator> which is listed as <number> in TVA’s Affected System Interconnection Queue]; and

WHEREAS, Affected System Interconnection Customers desires to interconnect the [generating facilities] with [name of host transmission provider]’s transmission system;

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of TVA’s Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customers have requested, and TVA has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

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

ARTICLE 1

DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.

ARTICLE 2 TERM OF AGREEMENT

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties.

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the final repayment, where applicable, by TVA of the amount funded by Affected System Interconnection Customers for TVA's design, procurement, construction and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Article 3.1.2.1 or Appendix A of this Agreement; or (4) Affected System Interconnection Customers terminate this Agreement after providing TVA with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customers have no outstanding contractual obligations to TVA under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if (1) the commercial operation date for the [generating facilities] is adjusted in accordance with the rules and procedures established by [name of host transmission provider] or (2) the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by TVA.

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, each non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, TVA may not terminate this Agreement if an Affected System Interconnection Customer is the Defaulting Party and compensates TVA within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer(s) by TVA for any such damages, including costs and expenses, incurred by TVA as a result of such Default. Notwithstanding the foregoing, Default by one or more Affected System Interconnection Customers shall not provide the other Affected System Interconnection Customer(s), either individually or in concert, with the right to terminate the entire Agreement. The non-Defaulting Party/Parties may, individually or in concert, initiate the removal of an Affected System

Interconnection Customer that is a Defaulting Party from this Agreement. TVA shall not terminate this Agreement or the participation of any Affected System Interconnection Customer without provision being made for TVA to be fully reimbursed for all of its costs incurred under this Agreement.

2.2.3 Consequences of Termination. In the event of a termination by either Party, other than a termination by Affected System Interconnection Customer(s) due to a Default by TVA, each Affected System Interconnection Customer whose participation in this Agreement is terminated shall be responsible for the payment to TVA of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by TVA in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which TVA reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of TVA's Transmission System. TVA shall use Reasonable Efforts to minimize such costs. The cost responsibility of other Affected System Interconnection Customers shall be adjusted, as necessary, based on the payments by an Affected System Interconnection Customer that is terminated from the Agreement.

2.3 Survival. This Agreement 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 Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.4 Termination Obligations. Upon any termination pursuant to this Agreement or termination of the participation in this Agreement of an Affected System Interconnection Customer, each Affected System Interconnection Customer shall be responsible for the payment of its proportionate share of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration. The cost responsibility of the other Affected System Interconnection Customers shall be adjusted as necessary.

ARTICLE 3

CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 TVA Obligations. TVA shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customers shall pay,

consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by TVA pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. TVA shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 No Right to Suspend. Affected System Interconnection Customers must jointly provide to TVA written notice of any request for suspension of work on the [name of host transmission provider]'s Transmission System. However, Affected System Interconnection Customers have no corresponding right to suspend work under this Agreement. If Affected System Interconnection Customers request suspension on the [name of host transmission provider]'s Transmission System, the Affected System Interconnection Customers may elect to (1) continue with the Affected System Network Upgrade(s) identified in this Agreement; or (2) terminate this Agreement. If Affected System Interconnection Customers choose to terminate this Agreement but an Affected System Interconnection Customer subsequently elects to have [name of host transmission provider] recommence work on the [name of host transmission provider]'s Transmission System, it must execute a new Affected System Study Agreement with TVA.

3.1.2.2 [Reserved]

3.1.2.3 Right to Suspend Due to Default. TVA reserves the right, upon written notice to Affected System Interconnection Customers, to suspend, at any time, work by TVA due to Default by Affected System Interconnection Customer(s). Affected System Interconnection Customer(s) shall be responsible for any additional expenses incurred by TVA associated with the construction and installation of the Affected System Network Upgrade(s) (as set forth in Article 2.2.3) upon the occurrence of either a Breach that Affected System Interconnection Customer is unable to cure pursuant to Article 5 or a Default pursuant to Article 5. Any form of suspension by TVA shall not be barred by Articles 2.2.2, 2.2.3, or 5.2.2, nor shall it affect TVA's right to terminate the work or this Agreement pursuant to Article 6.

3.1.3 Construction Status. TVA shall keep Affected System Interconnection Customers advised periodically as to the progress of its design, procurement and construction efforts, as described in Appendix A. Affected System Interconnection Customers may, at any time and reasonably, request a progress report from TVA. If, at any time, an Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, such Affected System Interconnection Customer will provide written notice to all other Parties of such later date for which the completion of the Affected System Network Upgrade(s) would be required. TVA may delay the in-service date of the Affected System Network Upgrade(s) accordingly, but only if agreed to by all other Affected System Interconnection Customers.

3.1.4 Timely Completion. TVA shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), TVA shall promptly notify all other Parties. In such circumstances, TVA shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customers to evaluate the alternatives available to Affected System Interconnection Customers. TVA shall, at any Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customers jointly authorize such actions, such authorizations to be withheld, conditioned, or delayed by a given Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the requesting Affected System Interconnection Customer(s) funds the costs associated therewith in advance, or all Affected System Interconnection Customers agree in advance to fund such costs based on such other allocation method as they may adopt.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customers shall pay to TVA actual costs, including applicable overheads, associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Except as expressly otherwise agreed, Affected System Interconnection Customers shall be collectively responsible for these costs, based on their proportionate share of cost responsibility, as provided in Appendix A. Unless TVA elects to fund the Affected System Network Upgrade(s), they shall be initially funded by the applicable Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customers or TVA, TVA shall, at Affected System Interconnection Customers' 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 to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.2.2 Reimbursement.

3.2.2.1 Reimbursement. Consistent with Articles 11.4.1 and 11.4.2 of TVA's pro forma LGIA, each Affected System Interconnection Customer shall be entitled to a cash reimbursement by TVA of the amount each Affected System Interconnection Customer paid to TVA, if any, for the Affected System Network Upgrade(s), to be reimbursed to each Affected System Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, if and when payments are made under TVA's Transmission Service Guidelines for transmission services with respect to the Generating Facility(ies). Any such reimbursement from TVA shall not include interest. Affected System Interconnection Customers may assign such repayment rights to any person.

ARTICLE 4 SECURITY, BILLING AND PAYMENT

4.1 Provision of Security. Prior to or on the execution date of this Agreement each Affected System Interconnection Customer shall provide TVA a cash deposit or a letter of credit or other form of security that is acceptable to TVA and is consistent with the applicable Uniform Commercial Code(s). Any letter of credit must be in a form approved by TVA, and issued by a financial institution acceptable to TVA and must specify a reasonable expiration date. For a financial institution to be acceptable to TVA, it must be a U.S. commercial bank domiciled in the United States, or a U.S. branch of a foreign bank, and must have credit ratings for its senior unsecured long-term debt not supported by third-party enhancements of at least two of (1) "A2" or higher from Moody's, (2) "A" or higher from Standard & Poor's, or (3) "A" or higher from Fitch. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s). TVA may use, draw upon or apply the security provided by Affected System Interconnection Customer to pay costs TVA incurs as a result of Affected System Interconnection Customer's failure to perform its obligations hereunder. Upon any use, draw or application of any security by TVA,

Affected System Interconnection Customer shall replenish the amount such security within twenty (20) Days. Security provided must have a minimum term of one (1) year. Affected System Interconnection Customer shall at least forty-five (45) Days before the expiration date of any security either replace such security or amend the term to have a minimum term of at least one (1) year. If Affected System Interconnection Customer does not do so, TVA may draw up to the full amount of such security and hold the cash as cash security. The timing of and adjustments to Affected System Interconnection Customers' security is set forth in Section 1.4 of Attachment A to this Agreement.

- 4.2 Invoice.** Each Party shall submit to the other Parties, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to another Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.
- 4.3 Payment.** Invoices shall be rendered to the paying Party at the address specified by the Parties. 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 a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.
- 4.4 Final Invoice.** Within six (6) months after completion of the construction of the Affected System Network Upgrade(s), TVA shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable each Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. TVA shall refund, without interest, to each Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.
- 4.5 Payment During Dispute.** In the event of a billing dispute among the Parties, TVA shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as each Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to TVA or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. An Affected System Interconnection Customers may only dispute any invoice by providing written notice of a dispute thereof to TVA within ninety (90) days of the date of such invoice, with such notice including the reasons for the, and amounts in, dispute. If an Affected System

Interconnection Customer does not provide such written notice of dispute within such ninety (90) day period, the Affected System Interconnection Customer may not dispute such invoice. If any Affected System Interconnection Customer fails to meet these two requirements, then TVA may provide notice to such Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated at the rate and in the manner specified in the United States Prompt Payment Act (31 U.S.C. §§ 3901-3907).

ARTICLE 5 BREACH, CURE AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement shall include the:

- (a) Failure to pay any amount when due;
- (b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;
- (c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or
- (d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, any Party not in Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the "Cure Period") which shall be sixty (60) Calendar Days. If an Affected System Interconnection Customer is the Breaching Party and the Breach results from a failure to provide payments or security under Article 4.1 of this Agreement, the other Affected System Interconnection Customers, either individually or in concert, may cure the Breach by paying the amounts owed or by providing adequate security, without waiver of contribution rights against the breaching Affected System Interconnection Customer. Such cure for the Breach of an Affected System Interconnection Customer is subject to the reasonable consent of TVA. TVA may

also cure such Breach by funding the proportionate share of the Affected System Network Upgrade costs related to the Breach of Affected System Interconnection Customer. TVA must notify all Parties that it will exercise this option within thirty (30) Calendar Days of notification that an Affected System Interconnection Customer has failed to provide payments or security under Article 4.1.

5.3.2 In the event the Breach is not cured within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Parties may (1) act in concert to amend the Agreement to remove an Affected System Interconnection Customer that is in Default from this Agreement for cause and to make other changes as necessary, or (2) either in concert or individually take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of a Default, the non-Defaulting Parties shall be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6 TERMINATION OF AGREEMENT

6.1. Expiration of Term. Except as otherwise specified in this Article 6, the Parties' obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2. Disposition of Facilities Upon Termination of Agreement.

6.2.1 TVA Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, TVA:

- (a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);
- (b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,
- (c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of TVA's Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.2.2 Affected System Interconnection Customer Obligations. Upon billing by TVA, each Affected System Interconnection Customer shall reimburse TVA for its share of any costs incurred by TVA in performance of the actions required or permitted by Article 6.2.1 and for the cost of any Affected System Network Upgrade(s)

described in Appendix A. TVA shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Each Affected System Interconnection Customer shall pay these costs pursuant to Article 4.3 of this Agreement.

6.2.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), TVA may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.2.1(a), in which case TVA shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that an Affected System Interconnection Customer has already paid TVA for any or all of such costs, TVA shall refund Affected System Interconnection Customer for those payments. If TVA elects to not retain any portion of such facilities, and one or more of Affected System Interconnection Customers wish to purchase such facilities, TVA shall convey and make available to the applicable Affected System Interconnection Customer(s) such facilities as soon as practicable after Affected System Interconnection Customer(s)' payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement shall not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7 SUBCONTRACTORS

7.1 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, 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 Parties for the performance of such subcontractor.

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8 CONFIDENTIALITY

8.1 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 to the other Party prior to the execution of this Agreement.

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. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing 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.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 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 non-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 Agreement; or (6)

is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, including the Freedom of Information Act, 5 U.S.C. § 552, as amended, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

- 8.1.3 Release of Confidential Information.** No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer(s), or to potential purchasers or assignees of Affected System Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 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 8.
- 8.1.4 Rights.** Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 8.1.5 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 Parties under this Agreement or its regulatory requirements.
- 8.1.6 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 any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. 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.
- 8.1.7 Termination of Agreement.** Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business 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 requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.

8.1.8 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 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the breaching 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 8, but it 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 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, 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 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 Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Parties to the Agreement 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 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by

law; (2) 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; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as the transmission provider or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

8.1.11 CEII. Each Affected System Interconnection Customer certifies on behalf of itself and its employees, agents and representatives that it and they are aware of the requirements of 18 C.F.R. Part 388. Each Affected System Interconnection Customer further certifies that after diligent review of 18 C.F.R. Part 388, it has no reason to believe that it or any of its employees, agents or representatives who may be granted access to CEII, if any, would be restricted from access to such CEII pursuant to 18 C.F.R. Part 388. An Affected System Interconnection Customer must notify TVA within one Business Day if it or any of its employees, agents or representatives who may be granted access to CEII, if any, would be restricted from access to such CEII pursuant to 18 C.F.R. Part 388.

8.1.12 FOIA. In response to any Freedom of Information Act ("FOIA") request to TVA for information received from or relating to an Affected System Interconnection Customer and designated by an Affected System Interconnection Customer as proprietary or confidential, TVA shall evaluate the requested information and determine the applicability of any FOIA exemptions, including, but not limited to 5 U.S.C. §552(b)(4). If TVA determines that a FOIA exemption may apply to the information, TVA will follow the process outlined in TVA's FOIA regulations (18 C.F.R. §1301.8) regarding handling of Confidential commercial information. TVA will make the final determination on whether the requested information is exempt from disclosure under FOIA and shall notify the Affected System Interconnection Customer accordingly in advance of release of any of the information.

ARTICLE 9 INFORMATION ACCESS AND AUDIT RIGHTS

9.1 Information Access. Each Party shall make available to the other Parties information necessary to verify the costs incurred by the other Parties for which the requesting Party is

responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

- 9.2 Audit Rights.** Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following TVA's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customers may, jointly or individually, at the expense of the requesting Party(ies), during normal business hours, and upon prior reasonable notice to TVA, to audit such accounts and records. Any audit authorized by this Article 9.2 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 obligations under this Agreement.

ARTICLE 10

NOTICES

- 10.1 General.** Any notice, demand, or request required or permitted to be given by a Party to the other Parties, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To TVA:

To Affected System Interconnection Customers:

- 10.2 Billings and Payments.** Billings and payments shall be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

- 10.3 Alternative Forms of Notice.** Any notice or request required or permitted to be given by a Party to the other Parties 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 below:

To TVA:

To Affected System Interconnection Customers:

ARTICLE 11
INDEMNITY, CONSEQUENTIAL DAMAGES

- 11.1 Indemnity.** Each Affected System Interconnection Customer (an “Indemnifying Party”) shall at all times indemnify, defend, and hold TVA and its directors, officers, representatives and employees and the United States of America, including its departments, agencies, and instrumentalities (each an “Indemnified Person”) from and against 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 Interconnection Customer’s action or inactions of its obligations under this Agreement on behalf of the Indemnifying Party, except as pre-empted by federal law or in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 11.1.1 Indemnified Person.** If an Indemnified Person is entitled to indemnification under this Section 11.1 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 11.1.2 Indemnifying Party.** If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Section 11.3, 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.
- 11.1.3 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 Section 11.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party’s indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.
- 11.2 Consequential Damages.** In no event shall a Party 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 another Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

ARTICLE 12 MISCELLANEOUS

- 12.1 **Accuracy of Information.** Except as a Party (“Providing Party”) may otherwise specify in writing when it provides information to the other Party under this Agreement, the Providing Party represents and warrants that, to the best of its knowledge, the information it provides to the other Party shall be accurate and complete as of the date the information is provided. The Providing Party shall promptly provide the other Party with any additional information needed to update information previously provided.
- 12.2 **Force Majeure.** No Party shall be considered to be in Default with respect to any obligation hereunder, 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 Parties in writing by email and 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 by email 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.
- 12.3 **Representations, Warranties and Covenants.** Each Party makes the following representations, warranties and covenants:
- 12.3.1 **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 in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement 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 Agreement.
- 12.3.2 **Authority.** Such Party has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement 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).

12.3.3 No Conflict. The execution, delivery and performance of this Agreement 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.

12.3.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this Agreement 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 Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.

12.4 Disputes. In the event a Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance, such Party (the "disputing Party") shall provide the other Parties 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 Parties. 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 Parties' receipt of the Notice of Dispute, a Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Agreement. Any legal or equitable action related to this Agreement shall be brought in the United States District Court for the Eastern District of Tennessee and THE PARTIES HEREBY WAIVE: (a) ANY OBJECTION TO THAT COURT'S JURISDICTION OVER THEM, OR THAT VENUE IS PROPER IN SUCH COURT, and (b) ANY RIGHT TO A JURY TRIAL. This Section 12.2 is not a "Disputes" clause within the meaning of the Contract Disputes Act of 1978, 41 U.S.C. §§ 601- 613 ("CDA"), and this Agreement is not subject to the provisions of the CDA.

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

12.6 Entire Agreement. This Agreement, including all Attachments attached hereto, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, among 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.

- 12.7 No Third-Party Beneficiaries.** This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 12.8 Waiver.** The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- Any waiver at any time by a Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Termination or Default of this Agreement for any reason by Affected System Interconnection Customer shall not constitute a waiver of Affected System Interconnection Customer's legal rights to obtain an interconnection from TVA. Any waiver of this Agreement shall, if requested, be provided in writing.
- 12.9 Headings.** The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 12.10 Multiple Counterparts.** This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 12.11 Amendment.** The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.
- 12.12 Modification by the Parties.** The Parties may by mutual agreement amend the Attachments to this Agreement by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.
- 12.13 No Partnership.** This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership among the Parties or to impose any partnership obligation or partnership liability upon either Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.
- 12.14 Consistency with Federal Laws and Regulations.** Nothing in this Agreement shall compel any person or federal entity to: (1) violate Federal statutes or regulations; or (2) in the case of a Federal agency, to exceed its statutory authority, as defined by any applicable Federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Agreement is inconsistent with any obligation imposed on any person or Federal

entity by Federal law or regulation to that extent, it shall be inapplicable to that person or Federal entity. No person or Federal entity shall incur any liability by failing to comply with this Agreement that is inapplicable to it by reason of being inconsistent with any Federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however, that such person or Federal entity shall use its best efforts to comply with the Agreement to the extent that applicable Federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.

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

[INSERT NAME]

By: _____

Print Name: _____

Title: _____

Date: _____

[INSERT NAME]

By: _____

Print Name: _____

Title: _____

Date: _____

TENNESSEE VALLEY AUTHORITY

By: _____

Print Name: _____

Title: _____

Date: _____

Multiparty Affected System Facilities Construction Agreement

**AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND
RESPONSIBILITY, CONSTRUCTION SCHEDULE AND MONTHLY
PAYMENT SCHEDULE**

This Attachment A is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and TVA.

1.1 Affected System Network Upgrade(s) to be installed by TVA.

[description]

1.2 First Equipment Order (including permitting).

[description]

1.2.1. Permitting and Land Rights – TVA Affected System Network Upgrade(s)

[description]

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 1: TVA Construction Activities

MILESTONE NUMBER	DESCRIPTION	START DATE	END DATE

Note: Construction schedule assumes that TVA has obtained final authorizations and security from Affected System Interconnection Customers and all necessary permits from Governmental Authorities, and has completed all required environmental reviews, as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customer's Payments and Security.

[description]

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customer's payment schedule is as follows.

[description]

Table 2: Affected System Interconnection Customers' Payment/Security Obligations for Affected System Network Upgrade(s).

MILESTONE NUMBER	DESCRIPTION	DATE

* Affected System Interconnection Customers' proportionate responsibility for each payment is as follows:

Affected System Interconnection Customer 1 ____._%

Affected System Interconnection Customer 2 ____._%

Affected System Interconnection Customer N ____._%

Note: Affected System Interconnection Customers' payment or provision of security as provided in this Agreement operates as a condition precedent to TVA's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

[description]

Attachment B to Appendix 12

Multiparty Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

This Attachment B is a part of the Multiparty Affected Systems Facilities Construction Agreement between Affected System Interconnection Customers and TVA. Where applicable, when TVA has completed construction of the Affected System Network Upgrade(s), TVA shall send notice to Affected System Interconnection Customers in substantially the form following:

[Date]

[Affected System Interconnection Customers Address]es

Re: Completion of Affected System Network Upgrade(s)

Dear [Name or Title]:

This letter is sent pursuant to the Multiparty Affected System Facilities Construction Agreement between TVA and [Affected System Interconnection Customers], dated _____, 20____.

On [Date], TVA completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customers' [description of generating facilities]. TVA confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

[Signature]

[TVA Representative]

Attachment C to Appendix 11

Two-Party Affected System Facilities Construction Agreement

EXHIBITS

This Attachment C is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and TVA.

Exhibit A1

TVA Site Map

Exhibit A2

Site Plan

Exhibit A3

Affected System Network Upgrade(s) Plan & Profile

Exhibit A4

Estimated Cost of Affected System Network Upgrade(s)

Location	Facilities To Be Constructed By TVA	Estimate In Dollars
		Total: