

**FERC ELECTRIC TARIFF  
OF  
PUGET SOUND ENERGY, INC.**

**filed with the**

**FEDERAL ENERGY REGULATORY COMMISSION**

**OPEN ACCESS TRANSMISSION TARIFF**

**Communication concerning this Tariff should be addressed to:  
Manager, Transmission Policy and Contracts  
Puget Sound Energy, Inc.  
355 110th Ave NE, EST06E  
Bellevue, WA 98004  
TransmissionContractsManager@pse.com**

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**I. COMMON SERVICE PROVISIONS**

# **1 Definitions**

## **1.1 Affiliate**

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

## **1.2 Ancillary Services**

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

## **1.3 Annual Transmission Costs**

The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission.

### **1.3A Annual Transmission Revenue Requirement (ATRR)**

The transmission revenue requirement calculated annually using the formula rate set forth in Attachment H-1.

## **1.4 Application**

A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

### **1.4A Balancing Authority (BA)**

The responsible entity that integrates resource plans ahead of time, maintains load-Interchange-generation balance within a BAA, and supports interconnection frequency in real time.

### **1.4B Balancing Authority Area (BAA)**

The collection of generation, transmission, and loads within the metered boundaries of the BA. The BA maintains load-resource balance within this area. For purposes of this Tariff, "BAA" shall have the same meaning as "Control Area."

### **1.4C Balancing Authority Area Resource**

A resource owned by PSE, or voluntarily contracted for by PSE to provide EIM Available Balancing Capacity, that can provide regulation and load following services to enable the PSE EIM Entity to meet reliability criteria. No resource unaffiliated with the PSE EIM Entity shall be a Balancing Authority Area Resource solely on the basis of one

or more of the following reasons: (1) the resource is a Designated Network Resource; (2) the resource flows on a Point-to-Point Transmission Service reservation; and/or (3) the resource is an Interconnection Customer under the Tariff.

#### **1.4D Bid Cost Recovery (BCR)**

The MO EIM settlements process through which PSE EIM Participating Resources recover their bid costs.

#### **1.4E California Independent System Operator Corporation (CAISO)**

A state-chartered, California non-profit public benefit corporation that operates the transmission facilities of all CAISO participating transmission owners and dispatches certain generating units and loads. The CAISO is the MO for the EIM.

#### **1.4F CAISO BAA or CAISO Controlled Grid**

The system of transmission lines and associated facilities of the CAISO participating transmission owners that have been placed under the CAISO's operational control.

#### **1.5 Commission**

The Federal Energy Regulatory Commission.

#### **1.6 Completed Application**

An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

#### **1.7 Control Area**

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

1. match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
2. maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
3. maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
4. provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

## **1.8 Curtailment**

A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.

## **1.9 Delivering Party**

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

## **1.10 Designated Agent**

Any entity that performs actions or functions on behalf of the Transmission Provider, an Interconnection Customer, an Eligible Customer, or the Transmission Customer required under the Tariff.

## **1.11 Direct Assignment Facilities**

Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

### **1.11A Dispatch Instruction**

An instruction by the MO for an action with respect to a specific PSE EIM Participating Resource or Balancing Authority Area Resource for increasing or decreasing its energy supply or demand.

### **1.11B Dispatch Operating Point**

The expected operating point, in MW, of a PSE EIM Participating Resource that has received a Dispatch Instruction from the Market Operator or a Balancing Authority Area Resource to which the PSE EIM Entity has relayed a Dispatch Instruction received from the Market Operator. For purposes of Attachment O of this Tariff, the Dispatch Operating Point means the change, in MW output, of (i) a PSE EIM Participating Resource due to an EIM bid being accepted and the PSE EIM Participating Resource receiving a Dispatch Instruction; or (ii) a Balancing Authority Area Resource for which a Dispatch Instruction has been issued by the CAISO with respect to EIM Available Balancing Capacity. The Dispatch Operating Point is expressed either as a negative MW quantity for the downward movement of generation, or a positive MW quantity for the upward movement of generation.

### **1.11C Dynamic Transfer**

The provision of the real-time monitoring, telemetering, computer software, hardware, communications, engineering, energy accounting (including inadvertent Interchange), and administration required to electronically move all or a portion of the

real energy services associated with a generator or load out of one BAA into another. A Dynamic Transfer can be either:

(1) a Dynamic Schedule: a telemetered reading or value that is updated in real time and used as a schedule in the AGC/ACE equation and the integrated value of which is treated as an after-the-fact schedule for Interchange accounting purposes; or

(2) a Pseudo-Tie: a functionality by which the output of a generating unit physically interconnected to the electric grid in a native BAA is telemetered to and deemed to be produced in an attaining BAA that provides BA services for and exercises BA jurisdiction over the generating unit.

### **1.11D Energy Imbalance Market (EIM)**

The real-time market to manage transmission congestion and optimize procurement of imbalance energy (positive or negative) to balance supply and demand deviations for the EIM Area through economic bids submitted by EIM Participating Resource Scheduling Coordinators in the fifteen-minute and five-minute markets.

### **1.11E EIM Area**

The combination of PSE's BAA, the CAISO BAA, and the BAAs of any other EIM Entities.

### **1.11F EIM Available Balancing Capacity**

Any upward or downward capacity from a Balancing Authority Area Resource that has not been bid into the EIM and is included in the PSE EIM Entity's Resource Plan.

### **1.11G EIM Entity**

A BA, other than the PSE EIM Entity, that enters into the Market Operator's (MO) pro forma EIM Entity Agreement to enable the EIM to occur in its BAA.

### **1.11H EIM Transfer**

The transfer of real-time energy resulting from an EIM Dispatch Instruction: (1) between a PSE BAA and the CAISO BAA; (2) between the PSE BAA and an EIM Entity BAA; or (3) between the CAISO BAA and an EIM Entity BAA using transmission capacity available in the EIM.

## **1.12 Eligible Customer**

i. Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico.



However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.

ii. Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

### **1.12A e-Tag**

An electronic tag associated with a schedule in accordance with the requirements of the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC), or the North American Energy Standards Board (NAESB).

### **1.13 Facilities Study**

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

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

Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

#### **1.14A Flexible Ramping Product**

The costs associated with meeting a requirement, established by the MO, that may be enforced in the MO's EIM optimization to ensure that the unit commitment or dispatch of resources for intervals beyond the applicable commitment or dispatch period provide for the availability of required capacity for dispatch in subsequent real-time dispatch intervals.

##### **1.14A1 Flexible Ramping Forecasted Movement**

A resource's change in forecasted output between market intervals for purposes of Flexible Ramping Product.

##### **1.14A2 Flexible Ramping Product Uncertainty Award**

A resource's award for meeting a Flexible Ramping Uncertainty Requirement under the Flexible Ramping Product.

### **1.14A3 Flexible Ramping Uncertainty Requirement**

Flexible ramping capability to meet the Flexible Ramping Product requirements established by the MO.

### **1.14B Forecast Data**

Information provided by Transmission Customers regarding expected load (as determined pursuant to Section 4.2.4.3 of Attachment O of this Tariff), generation, Intrachange, and Interchange, as specified in Section 4.2.4 of Attachment O and the PSE EIM BP. The Transmission Customer Base Schedule includes Forecast Data that is used by the PSE EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement.

### **1.15 Good Utility Practice**

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

### **1.15A Hourly Pricing Proxy**

The on-peak or off-peak price reported for the Intercontinental Exchange (ICE) Mid-Columbia Firm Power Index for the hour in which Transmission Service is provided. In the event that Transmission Service is provided during a time where no volumes are reported at the Mid-Columbia hub, the most recent firm on-peak and off-peak prices will be carried forward. If ICE permanently ceases to report day ahead pricing at the Mid-Columbia hub, or if the methodology used to determine the index at the Mid-Columbia hub is materially modified, Transmission Provider shall select a permanent replacement index, reported by a reputable third party, that reflects the actual same-day firm transactions at the Mid-Columbia hub.

### **1.15B Interconnection Customer**

Any Eligible Customer (or its Designated Agent) that executes an agreement to receive generation interconnection service pursuant to Annexes A or B of this Tariff.

### **1.15C Imbalance Energy**

The deviation of supply or demand from the Transmission Customer Base Schedule, positive or negative, as measured by metered generation, metered load, or real-time Interchange or Intrachange schedules.

### **1.15D Instructed Imbalance Energy (IIE)**

There are three scenarios that can lead to settlement of imbalance as IIE: (1) operational adjustments of the Transmission Customer's affected Interchange or Intrachange, which includes changes by the Transmission Customer after T-57, (2) resource imbalances created by Manual Dispatch or an EIM Available Balancing Capacity dispatch, or (3) an adjustment to resource imbalances created by adjustments to resource forecasts pursuant to Section 11.5 of the MO Tariff. IIE will be settled at either the RTD or FMM price at the applicable PNode depending on the nature and timing of the imbalance.

### **1.15E Interchange**

E-Tagged energy transfers from, to or through the PSE BAA or other BAAs, not including EIM Transfers.

### **1.15F Intrachange**

E-Tagged energy transfers within the PSE BAA, not including real-time actual energy flows associated with EIM Dispatch Instructions.

### **1.16 Interruption**

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

### **1.17 Load Aggregation Point (LAP)**

A set of Pricing Nodes that is used for the submission of bids and settlement of demand in the EIM.

### **1.17A Locational Marginal Price (LMP)**

The marginal cost (\$/MWh) of serving the next increment of demand at that PNode consistent with existing transmission constraints and the performance characteristics of resources.

### **1.18 Load Shedding**

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

### **1.19 Long-Term Firm Point-To-Point Transmission Service**

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

### **1.19A Monthly Network Load**

The monthly load of an entity receiving service under Part III of the Tariff as measured pursuant to Section 34.2 of the Tariff.

### **1.19B Manual Dispatch**

An operating order issued by the PSE EIM Entity to a Transmission Customer with a PSE EIM Participating Resource or a Non-Participating Resource in PSE's BAA, outside of the EIM optimization, when necessary to address reliability or operational issues in PSE's BAA that the EIM is not able to address through economic dispatch and congestion management.

### **1.19C Market Operator (MO)**

The entity responsible for operation, administration, settlement, and oversight of the EIM.

### **1.19D Measured Demand**

Includes (1) Metered Demand, plus (2) e-Tagged export volumes from the PSE BAA (excluding EIM Transfers).

### **1.19E Metered Demand**

Metered load volumes in PSE's BAA.

### **1.19F MO Tariff**

Those portions of the MO's approved tariff, as such tariff may be modified from time to time, that specifically apply to the operation, administration, settlement, and oversight of the EIM.

### **1.20 Native Load Customers**

The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

### **1.21 Network Customer**

An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

### **1.22 Network Integration Transmission Service**

The transmission service provided under Part III of the Tariff.

### **1.23 Network Load**

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

### **1.24 Network Operating Agreement**

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

### **1.25 Network Operating Committee**

A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

### **1.26 Network Resource**

Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program or output associated with an EIM Dispatch Instruction.

### **1.27 Network Upgrades**

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

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

Point-To-Point Transmission Service under the Tariff that is reserved and

scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

### **1.29 Non-Firm Sale**

An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

### **1.29A Non-Participating Resource**

A resource in PSE's BAA that is not a PSE EIM Participating Resource.

### **1.30 Open Access Same-Time Information System (OASIS)**

The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

### **1.30A Operating Hour**

The hour during the day when the EIM runs and energy is supplied to load.

### **1.30B PSE**

Refers to Puget Sound Energy, Inc.

### **1.30C PSE's BAA**

Refers to the BAA operated by PSE.

### **1.30D PSE BAA Transmission Owner**

A transmission owner, other than the PSE EIM Entity, who owns transmission facilities in PSE's BAAs.

### **1.30E PSE EIM Business Practice (PSE EIM BP)**

The business practice posted on PSE's OASIS that contains procedures related to PSE's implementation of EIM and the rights and obligations of Transmission Customers and Interconnection Customers related to EIM.

### **1.30F PSE EIM Entity**

The Transmission Provider in performance of its role as an EIM Entity under the MO Tariff and this Tariff, including, but not limited to, Attachment O.

### **1.30G PSE EIM Entity Scheduling Coordinator**

The Transmission Provider or the entity selected by the Transmission Provider who is certified by the MO and who enters into the MO's *pro forma* EIM Entity Scheduling Coordinator Agreement.

### **1.30H PSE EIM Participating Resource**

A resource or a portion of a resource: (1) that has been certified in accordance with Attachment O by the PSE EIM Entity as eligible to participate in the EIM; and (2) for which the generation owner and/or operator enters into the MO's *pro forma* EIM Participating Resource Agreement.

### **1.30I PSE EIM Participating Resource Scheduling Coordinator**

A Transmission Customer with one or more PSE EIM Participating Resource(s) or a third-party designated by the Transmission Customer with one or more PSE EIM Participating Resource(s), that is certified by the MO and enters into the MO's *pro forma* EIM Participating Resource Scheduling Coordinator Agreement.

### **1.30J PSE Interchange Rights Holder**

**A Transmission Customer who has informed the PSE EIM Entity that it is electing to make reserved firm transmission capacity available for EIM Transfers without compensation.**

### **1.31 Part I**

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

### **1.32 Part II**

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

### **1.33 Part III**

Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

### **1.34 Parties**

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

### **1.35 Point(s) of Delivery**

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

### **1.36 Point(s) of Receipt**

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

### **1.37 Point-To-Point Transmission Service**

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

### **1.38 Power Purchaser**

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

### **1.39 Pre-Confirmed Application**

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

#### **1.39A Pricing Node (PNode)**

A single network node or subset of network nodes where a physical injection or withdrawal is modeled by the MO and for which the MO calculates an LMP that is used for financial settlements by the MO and the PSE EIM Entity.

#### **1.39B Real Power Losses**

Electrical losses associated with the use of the Transmission Provider's Transmission System and, where applicable, the use of the Transmission Provider's distribution system. Such losses are provided for in Sections 15.7 and 28.5 of the Tariff and settled financially under Schedule 12 and Schedule 12A.



#### **1.40 Receiving Party**

The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

#### **1.41 Regional Transmission Group (RTG)**

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

#### **1.42 Reserved Capacity**

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

#### **1.42A Resource Plan**

The combination of load, resource and Interchange components of the Transmission Customer Base Schedule, ancillary services plans of the PSE EIM Entity, bid ranges submitted by PSE EIM Participating Resources, and the EIM Available Balancing Capacity of Balancing Authority Area Resources.

#### **1.43 Service Agreement**

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

#### **1.44 Service Commencement Date**

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

#### **1.45 Short-Term Firm Point-To-Point Transmission Service**

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

#### **1.46 System Condition**

A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the

Transmission Customer's Service Agreement.

#### **1.47 System Impact Study**

An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

#### **1.48 Third-Party Sale**

Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

#### **1.49 Transmission Customer**

Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

#### **1.49A Transmission Customer Base Schedule**

An energy schedule that provides Transmission Customer hourly-level Forecast Data and other information that is used by the PSE EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement. The term "Transmission Customer Base Schedule" as used in this Tariff may refer collectively to the components of such schedule (resource, Interchange, Intrachange, and load determined pursuant to Section 4.2.4.3 of Attachment O) or any individual components of such schedule.

#### **1.50 Transmission Provider**

The public utility (or its Designated Agent) that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.

#### **1.51 Transmission Provider's Monthly Transmission System Peak**

The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

#### **1.52 Transmission Service**

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

### **1.53 Transmission System**

The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

### **1.54 Unreserved Use Penalty**

Any penalty rate charged for unreserved use of Point-to-Point Transmission Service. Any Unreserved Use Penalty shall be as stated in Section 13.7(d) or Section 14.5 of this Tariff. Any Overrun System Use Charge specified in any Service Agreement shall not be assessed.

### **1.55 Uninstructed Imbalance Energy (UIE)**

For Non-Participating Resources in an EIM Entity BAA, the MO shall calculate UIE as either (1) the algebraic difference between the resource's 5-minute meter data and the resource component of the Transmission Customer Base Schedule, or, if applicable, (2) the 5-minute meter data and any Manual Dispatch or EIM Available Balancing Capacity dispatch. For Transmission Customers with load in the PSE EIM Entity's BAA, the PSE EIM Entity shall calculate UIE as the algebraic difference between the Transmission Customer's actual hourly load and the Transmission Customer Base Schedule.

### **1.56 Variable Energy Resource**

A device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

### **1.57 Working Day**

The days Monday through Friday, excluding any prescheduling holiday observed by the Western Electricity Coordinating Council.

## **2 Initial Allocation and Renewal Procedures**

### **2.1 Initial Allocation of Available Transfer Capability**

For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing May 13, 1997, will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

### **2.2 Reservation Priority For Existing Firm Service Customers**

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service; provided that, the firm service customers shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to August 18, 2008 or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one year requirement on the first rollover date after August 18, 2008; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of August 18, 2008.

### **3 Ancillary Services**

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

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply. The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source.

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

The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

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

The Transmission Provider shall specify the rate treatment and all related terms and

conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.

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

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

The rates and/or methodology are described in Schedule 1.

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

The rates and/or methodology are described in Schedule 2.

**3.3 Regulation and Frequency Response Service**

Where applicable the rates and/or methodology are described in Schedule 3.

**3.4 Energy Imbalance Service**

Where applicable the rates and/or methodology are described in Schedule 4.

**3.5 Operating Reserve - Spinning Reserve Service**

Where applicable the rates and/or methodology are described in Schedule 5.

**3.6 Operating Reserve - Supplemental Reserve Service**

Where applicable the rates and/or methodology are described in Schedule 6.

**3.7 Generator Imbalance Service**

Where applicable the rates and/or methodology are described in Schedule 9.

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

### **4.1 Terms and Conditions**

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 C.F.R. § 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities) and 18 C.F.R. § 38 of the Commission's regulations (Business Practice Standards and Communication Protocols for Public Utilities). In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

The Transmission Provider shall post on OASIS and its public website an electronic link to all rules, standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS and on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also post on its OASIS and public website an electronic link to a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are not included in this Tariff. Such process shall set forth the means by which the Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the Transmission Provider deems appropriate.

### **4.2 Incorporation by Reference of the Standards Promulgated by the Wholesale Electric Quadrant of the North American Energy Standards Board**

The current versions of the NAESB WEQ Business Practice Standards incorporated by reference into the Commission's regulations as specified in Part 38 of the Commission's regulations (18 C.F.R. Part 38) are incorporated by reference into this tariff.

### **4.3 Access To Critical Energy Infrastructure Information (CEII) On The OASIS**

By accessing any Critical Energy Infrastructure Information (as such term is defined in 18 C.F.R 388.113, as may be amended from time to time, "CEII") posted on the OASIS, Transmission Customer (i) represents and warrants that it is an entity eligible to receive CEII and has, as contemplated by the Commission, a legitimate interest in and legitimate need for CEII from Transmission Provider, (ii) represents and warrants that Transmission Customer will use any CEII received from Transmission Provider only for the purposes for which the Commission has required its disclosure, and (iii) agrees and acknowledges as follows:

- (a) Transmission Customer shall use any CEII received from Transmission Provider only for Transmission Customer's legitimate interest and legitimate need and shall only share such CEII with its employees, subcontractors and agents who need to know such information for Transmission Customer's legitimate interest and legitimate need and who have agreed, for the benefit of Transmission Provider, to be bound (in the same manner as Transmission Customer) by the terms of this section 4.3;
- (b) Transmission Customer shall take reasonable steps to protect any CEII received from Transmission Provider (but in any event steps that are no less rigorous than Transmission Customer would use to protect its own confidential information), to ensure that neither Transmission Customer nor any person or entity who receives such CEII directly or indirectly from Transmission Customer distributes such CEII further except as permitted pursuant to section 4.3(a) above, or uses such CEII for any purpose other than for the purposes described above; and
- (c) Transmission Customer shall destroy any CEII received from Transmission Provider and in Transmission Customer's possession if and at such time when such CEII no longer serves the purposes described above, when Transmission Customer is not an entity eligible to receive CEII or when such CEII has been superseded or has become obsolete. Upon request by Transmission Provider, Transmission Customer shall certify to Transmission Provider that such destruction has occurred.



## **5 Local Furnishing Bonds**

### **5.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds**

This provision is applicable only to Transmission Providers that have financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code (“local furnishing bonds”). Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the Transmission Provider’s facilities that would be used in providing such transmission service.

### **5.2 Alternative Procedures for Requesting Transmission Service**

(i) If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such transmission service, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.

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

## **6 Reciprocity**

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

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

## **7 Billing and Payment**

### **7.1 Billing Procedure**

Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made by Automated Clearing House (“ACH”) or wire transfer to a bank named by the Transmission Provider.

### **7.2 Interest on Unpaid Balances**

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission’s regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by ACH or wire transfer, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.

### **7.3 Customer Default**

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

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

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

### **8.1 Transmission Revenues**

Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the Tariff.

### **8.2 Study Costs and Revenues**

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

## **9 Regulatory Filings**

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

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

## **10 Force Majeure and Indemnification**

### **10.1 Force Majeure**

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event with respect to a Party does not include an act of negligence or intentional wrongdoing by such Party. Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

### **10.2 Indemnification**

The Transmission Customer shall, to the maximum extent permitted by applicable law, at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except to the extent of negligence or intentional wrongdoing by the Transmission Provider. Provided, however, that the standard of liability for the actions of the PSE EIM Entity performed consistent with Attachment O of this Tariff shall be gross negligence or intentional wrongdoing.

## **11 Creditworthiness**

The Transmission Provider will specify its Creditworthiness procedures in Attachment L.

## **12 Dispute Resolution Procedures**

### **12.1 Internal Dispute Resolution Procedures**

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

### **12.2 External Arbitration Procedures**

Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or any applicable provisions of the Governing Agreement of the Northwest Regional Transmission Association.

### **12.3 Arbitration Decisions**

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.



## **12.4 Costs**

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

1. the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
2. one half the cost of the single arbitrator jointly chosen by the Parties.

### **12.4A EIM Disputes**

#### **12.4A.1 Disputes between the PSE EIM Entity and a Transmission Customer or Interconnection Customer Related to Allocation of Charges or Payments from the MO**

To the extent a dispute arises between the PSE EIM Entity and a Transmission Customer or Interconnection Customer regarding the PSE EIM Entity's implementation of this Tariff's provisions regarding the manner in which the PSE EIM Entity allocates charges or payments from the MO, the parties shall follow the dispute resolution procedures in Sections 12.1 to 12.4 of this Tariff.

#### **12.4A.2 Disputes between the MO and PSE EIM Participating Resource Scheduling Coordinators Related to EIM Charges and Payments Directly From the MO**

Disputes involving settlement statements between the MO and PSE EIM Participating Resource Scheduling Coordinators shall be resolved in accordance with the dispute resolution process of the MO Tariff. A Transmission Customer with a PSE EIM Participating Resource shall provide notice to the PSE EIM Entity if it raises a dispute with the MO, and such notice shall be provided in accordance with the process set forth in the PSE EIM BP.

#### **12.4A.3 Disputes between the MO and the PSE EIM Entity**

The PSE EIM Entity may raise disputes with the MO regarding the settlement statements it receives from the MO in accordance with the process specified in the MO Tariff. If the PSE EIM Entity submits a dispute it shall provide notice to Transmission Customers in accordance with the PSE EIM BP.

**12.4A.4 Disputes Regarding MO Charges or Payments to the PSE EIM Entity Raised by Transmission Customers or Interconnection Customers**

To the extent a dispute arises regarding a MO charge or a MO payment to the PSE EIM Entity that is subsequently charged or paid by the PSE EIM Entity to a Transmission Customer or an Interconnection Customer, and such Transmission Customer or Interconnection Customer wishes to raise a dispute with the MO, the PSE EIM Entity shall file a dispute on behalf of such Transmission Customer or Interconnection Customer in accordance with the MO Tariff and work with the Transmission Customer or the Interconnection Customer to resolve the dispute pursuant to the process specified in the MO Tariff.

**12.5 Rights Under The Federal Power Act**

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

## **II. POINT-TO-POINT TRANSMISSION SERVICE**

**Preamble**

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

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

### **13.1 Term**

The minimum term of Firm Point-To-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement.

### **13.2 Reservation Priority**

(i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has requested service.

(ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter duration. Among requests or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmed, confirmed, or not confirmed), priority will be given to an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.

(iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration, price and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

(iv) Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation

priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

(v) For any requests for Firm Transmission Service for which the Transmission Provider's business practices establish the earliest time such requests are permitted to be submitted, any requests for such service submitted within the five (5) minute window immediately following such earliest time shall be deemed to have been submitted simultaneously during such window. If sufficient transfer capability is not available to meet all such requests submitted within any such five minute window, the otherwise applicable priorities shall apply to allocation of transfer capability to such requests; provided that, if the otherwise applicable priorities would be to allocate transfer capability to transmission requests on a first-come, first-served basis (i.e., in the chronological sequence in which each Transmission Customer has requested service), transfer capability shall instead be allocated in equal amounts to each Transmission Customer that has submitted one or more of such requests but not in excess of the requested amount for any such request.

### **13.3 Use of Firm Transmission Service by the Transmission Provider**

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after May 13, 1997, or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

### **13.4 Service Agreements**

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative

description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

### **13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs**

In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

### **13.6 Curtailment of Firm Transmission Service**

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

other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments. Transmission Provider shall take necessary measures to ensure reliability in PSE's BAA in accordance with Section 6 of Attachment O.

### **13.7 Classification of Firm Transmission Service**

(a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.

(b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.

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

(d) Subject to Attachment O, Section 8.7 of this Tariff, in the event that a Transmission Customer exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved, the Transmission Customer shall pay an Unreserved Use Penalty



charge equal to the sum of

- (i) a charge for the unreserved service equal to twice the applicable rate(s) for Firm Point-to-Point Transmission Service (exclusive of any Ancillary Services rate(s)) and
- (ii) a charge equal to the applicable rate(s) for any Ancillary Services (exclusive of charges pursuant to Schedules 4, 4R and 9) associated with such unreserved service and which is provided by Transmission Provider but for which Transmission Customer does not otherwise pay under the Tariff.

For unreserved use within a single day, the penalty charge shall be based on the daily rate. For unreserved use in two or more days in a calendar week, the penalty charge shall be based on the weekly rate. For multiple instances of unreserved use in more than one calendar week in a calendar month, the penalty charge shall be based on the monthly rate.

### **13.8 Scheduling of Firm Point-To-Point Transmission Service**

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. (Pacific time) [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next scheduling interval, provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules; provided, however, that Transmission Customer's ability to schedule intra-hour transactions into, out of, or through-and-out of the Transmission Provider's Control Area may be subject to restrictions on intra-hour scheduling imposed by transmission providers in other Control Areas along the scheduled path. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

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

### **14.1 Term**

Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

### **14.2 Reservation Priority**

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

For any requests for Non-Firm Transmission Service for which this Tariff establishes the earliest time such requests are permitted to be submitted, any requests for such service submitted within the five (5) minute window immediately following such earliest time shall be deemed to have been submitted simultaneously during such window. If sufficient transfer capability is not available to meet all such requests submitted within any such five minute window, the otherwise applicable priorities shall apply to allocation of transfer capability to such requests; provided that, if the otherwise applicable priorities would be to allocate transfer capability to transmission requests on a first-come, first-served basis (i.e., in the chronological sequence in which each Transmission Customer has requested service), transfer capability shall instead be allocated in equal amounts to each Transmission Customer that has submitted one or

more of such requests but not in excess of the requested amount for any such request.

### **14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider**

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after May 13, 1997, or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

### **14.4 Service Agreements**

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first emails a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

### **14.5 Classification of Non-Firm Point-To-Point Transmission Service**

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

Subject to Attachment O, Section 8.7 of this Tariff, in the event that a Transmission Customer exceeds its non-firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved, the Transmission Customer shall pay an Unreserved Use Penalty charge equal to the sum of

- (i) a charge for the unreserved service equal to twice the applicable rate(s) for Firm Point-to-Point Transmission Service (exclusive of any Ancillary Services rate(s)) and
- (ii) a charge equal to the applicable rate(s) for any Ancillary Services

(exclusive of charges pursuant to Schedules 4, 4R and 9) associated with such unreserved service and which is provided by Transmission Provider but for which Transmission Customer does not otherwise pay under the Tariff.

For unreserved use within a single day, the penalty charge shall be based on the daily rate. For unreserved use in two or more days in a calendar week, the penalty charge shall be based on the weekly rate. For multiple instances of unreserved use in more than one calendar week in a calendar month, the penalty charge shall be based on the monthly rate.

#### **14.6 Scheduling of Non-Firm Point-To-Point Transmission Service**

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 2:00 p.m. (Pacific time) of the day prior to commencement of such service. Schedules submitted after 2:00 p.m. will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next scheduling interval, provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules; provided, however, that Transmission Customer's ability to schedule intra-hour transactions into, out of, or through-and-out of the Transmission Provider's Control Area may be subject to restrictions on intra-hour scheduling imposed by transmission providers in other Control Areas along the scheduled path. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

#### **14.7 Curtailment or Interruption of Service**

The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly and indirectly interconnected with Transmission Provider's Transmission System. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm

Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice. Transmission Provider will take necessary measures to ensure reliability in PSE's BAA in accordance with Section 6 of Attachment O.

## **15 Service Availability**

### **15.1 General Conditions**

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

### **15.2 Determination of Available Transfer Capability**

A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.

### **15.3 Initiating Service in the Absence of an Executed Service Agreement**

If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Provider shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

### **15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment**

(a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

(b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.

(c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

## **15.5 Deferral of Service**

The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

## **15.6 Other Transmission Service Schedules**

Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

## **15.7 Real Power Losses**

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer shall compensate Transmission Provider for losses associated with all transmission service as provided in Schedule 12 and Schedule 12A. The applicable Real Power Loss factors are as follows:

- (1) The loss factor for determining the amount of losses associated with any Transmission Service over the Colstrip Transmission Line facilities and

the Southern Intertie transmission facilities shall be two point seven percent (2.7%) of the scheduled capacity and energy for which Transmission Service is provided.

- (2) The loss factor for determining the amount of losses associated with any Transmission Service over the Washington Area transmission facilities shall be two point seven percent (2.7%) of the scheduled capacity and energy for which Transmission Service is provided.

### **15.8 Distribution of Unreserved Use Penalty Amounts**

For any month for which Transmission Provider assesses any Unreserved Use Penalty under Section 13.7(c) or Section 14.5 of this Tariff. Transmission Provider shall credit to Qualified Transmission Customers for such month an amount equal to fifty percent (50%) of the amount of such Unreserved Use Penalty (exclusive of any such amount arising from any charge for Ancillary Services). For each such month, the amount of such credit shall be allocated among Qualified Transmission Customers for such month in proportion to their respective Qualified Transmission Loads for such month.

For purposes of this Section 15.8, the following definitions shall apply:

(a) “Qualified Transmission Customer” for any month means each of the following in such month:

- (i) Point-to-Point Transmission Service Customer for Transmission Service,
- (ii) Network Customer for Transmission Service, or
- (iii) Transmission Provider on behalf of its Native Load Customers;

provided, that any Transmission Customer that is assessed any Unreserved Use Penalty for such month shall not be a Qualified Transmission Customer under this Section 15.8 for such month.

(b) “Qualified Transmission Load” for any month means the following with respect to each Qualified Transmission Customer:

- (i) for each Point-to-Point Transmission Service Customer, its Reserved Capacity for Transmission Service;
- (ii) for each Network Customer, its monthly Network Load in such month computed in accordance with Section 34.2 of the Tariff; or
- (iii) for Transmission Provider on behalf of its Native Load Customers, the hourly load in such month of its Native Load Customers coincident with the Transmission System Provider’s Monthly



Transmission System Peak for such month (computed consistent with computations pursuant to Section 34 of the Tariff).

## **16 Transmission Customer Responsibilities**

### **16.1 Conditions Required of Transmission Customers**

Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

- (a) The Transmission Customer has pending a Completed Application for service;
- (b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- (c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;
- (d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;
- (e) The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment K; and
- (f) The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3.
- (g) The Transmission Customer must comply with the requirements of Attachment O regarding the EIM.

### **16.2 Transmission Customer Responsibility for Third-Party Arrangements**

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

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

### **17.1 Application**

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain an emailed Application to:

Puget Sound Energy, Inc.  
Attention: Manager, Transmission Policy and Contracts  
Email: [Transmaster@pse.com](mailto:Transmaster@pse.com)

at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the priority of the Application.

### **17.2 Completed Application**

A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number, email and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct

contained in Part 37 of the Commission's regulations;

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

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

### **17.3 Deposit**

A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit made by ACH or wire transfer of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm

Point-To-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

#### **17.4 Notice of Deficient Application**

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

#### **17.5 Response to a Completed Application**

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Responses by the Transmission Provider must be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

#### **17.6 Execution of Service Agreement**

Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

## **17.7 Extensions for Commencement of Service**

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

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

### **18.1 Application**

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.

### **18.2 Completed Application**

A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

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

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

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

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

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

### **18.3 Reservation of Non-Firm Point-To-Point Transmission Service**

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) Working Days before service is to commence, and requests for hourly service shall be submitted no earlier than 10:00 a.m. (Pacific time) of the last Working Day before service is to commence. Requests for service received later than 2:00 p.m. (Pacific time) of the last Working Day prior to the day service is scheduled to commence will be accommodated if practicable.

### **18.4 Determination of Available Transfer Capability**

Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.



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

### **19.1 Notice of Need for System Impact Study**

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispach or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

### **19.2 System Impact Study Agreement and Cost Reimbursement**

(i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 20.

### **19.3 System Impact Study Procedures**

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

### **19.4 Facilities Study Procedures**

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the

Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

### **19.5 Facilities Study Modifications**

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

### **19.6 Due Diligence in Completing New Facilities**

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

### **19.7 Partial Interim Service**

If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

## **19.8 Expedited Procedures for New Facilities**

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an “Expedited Service Agreement” pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer’s request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

## **19.9 Penalties for Failure to Meet Study Deadlines**

Sections 19.3 and 19.4 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

- (i) The Transmission Provider is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates’ System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.
- (ii) For the purposes of calculating the percent of non-Affiliates’ System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider may provide an explanation in its notification filing to the Commission if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.
- (iii) The Transmission Provider is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates’ System Impact Studies and Facilities Studies outside of the 60-day study completion

deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered the Transmission Provider's notification filing to the Commission. The operational penalty will continue to be assessed each quarter until the Transmission Provider completes at least ninety (90) percent of all non-Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.

- (iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to \$500 for each day the Transmission Provider takes to complete that study beyond the 60-day deadline.

### **19.10 Clustering of Studies**

The Transmission Provider will consider clustering together System Impact Studies and clustering together Facilities Studies (whether such studies are pursuant to section 19 or section 32) if the Eligible Customer(s) requesting transmission service (Long-Term Firm Point-to-Point Service or Network Service) request in writing that the studies in connection with such service requests be clustered and the Transmission Provider determines that it can reasonably accommodate such clustering request and that such clustering will facilitate performance of such studies or design of upgrade(s) or addition(s) to the Transmission System in response to such requests. If studies are clustered, Transmission Provider may study and determine in satisfaction of its study obligations under section 19 or 32, as applicable, the upgrade(s) or addition(s) to the Transmission System that are needed to supply service requests of the requesting Eligible Customer(s), specifically including upgrades(s) or additions to the Transmission System that can accommodate one or more of such service requests. If studies are clustered,

- (i) all of the service requests for which the studies are clustered studies shall be deemed, for purposes of deadlines for performance of studies and responses to Eligible Customer(s), to have been submitted when the last of such requests has been submitted,
- (ii) all of the service requests for which the studies are clustered studies shall be deemed, for purposes of deadlines for performance of studies and responses to Eligible Customer(s), to have constituted Completed Applications when all of such requests have constituted Completed Applications, and
- (iii) if any of the Completed Applications for service requests for which studies are clustered is deemed terminated or withdrawn or is no longer a Completed Application, then all such Completed Applications shall be deemed terminated or withdrawn only if such termination or withdrawal materially affects the clustered studies as they relate to the service requests

for which the studies have been clustered.

The Transmission Provider shall upon request in writing determine in its discretion and advise in writing each of the Eligible Customer(s) that has submitted a service request that has been clustered pursuant to this section whether, when, and upon what conditions an Eligible Customer can opt out of a cluster; such determination may be based in whole or in part on Transmission Provider's determination of the likely effect of such opting out on service request(s) and the likely effect of such opting out on the ability of Transmission Provider to reasonably and timely process the service requests following such opting out. (In any event, the Transmission Provider may prevent an Eligible Customer from strategically selecting the clusters in which it participates in an attempt to avoid responsibility for needed Transmission System upgrade(s) or addition(s).) All System Impact Studies that are clustered together under this section shall be treated as a single System Impact Study for all purposes (including, for example, Section 19.9) and shall be performed pursuant to a single System Impact Study Agreement entered into among Transmission Provider and each of the Eligible Customer(s) that has submitted a service request that has been clustered together. Unless otherwise agreed in such agreement, the cost for the completion of the System Impact Study shall be allocated in equal amounts to each of such Eligible Customer(s). All Facilities Studies that are clustered together under this section shall be treated as a single Facilities Study for all purposes (including, for example, Section 19.9) and shall be performed pursuant to a single Facilities Study Agreement entered into among Transmission Provider and each of the Eligible Customer(s) that has submitted a service request that has been clustered together. Unless otherwise agreed in such agreement, the cost for the completion of the Facilities Study shall be allocated among such Eligible Customer(s) in proportion to the amounts of their respective requests for service (Long-Term Firm Point-to-Point Service or Network Service). If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of all Completed Applications by Eligible Customer(s) for service for which the studies have been clustered together (Long-Term Firm Point-to-Point Service or Network Service), the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested service that can be accommodated without addition of any facilities; such portion shall be allocated among such Eligible Customer(s) in proportion to the amounts of their respective requests for service (Long-Term Firm Point-to-Point Service or Network Service). However, the Transmission Provider shall not be obligated to provide the incremental amount of requested service that requires the addition of facilities or upgrade(s) to the Transmission System until such facilities or upgrades have been placed in service. Transmission Provider shall not be required to undertake any Transmission System upgrade(s) or addition(s) identified by a clustered Facilities Study unless all Eligible Customer(s) for service for which the studies have been clustered together enter into Service Agreements under which they in the aggregate are to pay the costs of any required Direct Assignment Facilities and any required Network Upgrades as determined by such Facilities Study. If any of such Eligible Customer(s) fails to enter into a Service Agreement (or request the filing of an unexecuted Service Agreement) and provide the required letter of credit or other form of security, the service request of each such Eligible Customer shall be deemed terminated and withdrawn. This Section 19.10 sets forth the principal criteria and requirements to be applied to Transmission Provider's consideration

of clustering of studies; additional or different criteria and requirements may be appropriate for any particular request for clustering of studies and may be applied by Transmission Provider to such request.

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

### **20.1 Delays in Construction of New Facilities**

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

### **20.2 Alternatives to the Original Facility Additions**

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

### **20.3 Refund Obligation for Unfinished Facility Additions**

If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulations. 18 C.F.R. § 35.19a(a)(2)(iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.



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

### **21.1 Responsibility for Third-Party System Additions**

The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

### **21.2 Coordination of Third-Party System Additions**

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

## **22 Changes in Service Specifications**

### **22.1 Modifications On a Non-Firm Basis**

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement (“Secondary Receipt and Delivery Points”), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-To-Point Transmission Service charge or executing a new Service Agreement, subject to the following conditions.

- (a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.
- (b) The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.
- (c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.
- (d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

### **22.2 Modification On a Firm Basis**

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

## **23 Sale or Assignment of Transmission Service**

### **23.1 Procedures for Assignment or Transfer of Service**

(a) A Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall be at rates established by agreement between the Reseller and the Assignee.

(b) The Assignee must execute a service agreement with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. The Transmission Provider shall charge the Reseller, as appropriate, at the rate stated in the Reseller's Service Agreement with the Transmission Provider or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee's Service Agreement with the Transmission Provider or the associated OASIS schedule; provided that, such credit shall be reversed in the event of non-payment by the Assignee. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

### **23.2 Limitations on Assignment or Transfer of Service**

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

### **23.3 Information on Assignment or Transfer of Service**

In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use the Transmission Provider's OASIS to post transfer capability

available for resale.

## **24 Metering and Power Factor Correction at Receipt and Delivery Points(s)**

### **24.1 Transmission Customer Obligations**

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.

### **24.2 Transmission Provider Access to Metering Data**

The Transmission Provider shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

### **24.3 Power Factor**

Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

## **25 Compensation for Transmission Service**

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

## **26      Stranded Cost Recovery**

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

## **27 Compensation for New Facilities and Redispatch Costs**

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



### **III. NETWORK INTEGRATION TRANSMISSION SERVICE**

## **Preamble**

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

## **28 Nature of Network Integration Transmission Service**

### **28.1 Scope of Service**

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3, and must comply with the requirements of Attachment O regarding the EIM.

## **28.2 Transmission Provider Responsibilities**

The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transfer capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

### **28.3 Network Integration Transmission Service**

The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

#### **28.4 Secondary Service**

The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.

## **28.5 Real Power Losses**

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer shall compensate Transmission Provider for losses associated with all transmission service as provided in Schedule 12 and Schedule 12A. The applicable Real Power Loss factors are as follows:

- (1) The loss factor for determining the amount of losses associated with any Network Integration Transmission Service over the Colstrip Transmission Line facilities and the Southern Intertie transmission facilities shall be two point seven percent (2.7%) of the scheduled capacity and energy for which Network Integration Transmission Service is provided.
- (2) The loss factor for determining the amount of losses associated with any Network Integration Transmission Service over the Washington Area transmission facilities shall be two point seven percent (2.7%) of the scheduled capacity and energy for which Transmission Service is provided.

**28.6 Restrictions on Use of Service**

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. The Transmission Provider shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load.



## **28.7 Participation in the EIM**

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

## **29 Initiating Service**

### **29.1 Condition Precedent for Receiving Service**

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing via email that the Transmission Provider file a proposed unexecuted Service Agreement with the Commission, and (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G, or requests in writing via email that the Transmission Provider file a proposed unexecuted Network Operating Agreement.

### **29.2 Application Procedures**

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit via ACH or wire transfer approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number, email and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource

requirements beginning with the first year after the service is scheduled to commence;

- (iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;
- (v) A description of Network Resources (current and 10-year projection). For each on-system Network Resource, such description shall include:
  - Unit size and amount of capacity from that unit to be designated as Network Resource
  - VAR capability (both leading and lagging) of all generators
  - Operating restrictions
    - Any periods of restricted operations throughout the year
    - Maintenance schedules
    - Minimum loading level of unit
    - Normal operating level of unit
    - Any must-run unit designations required for system reliability or contract reasons
  - Approximate variable generating cost (\$/MWH) for redispatch computations
  - Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource;

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

- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights

- Delivery point(s) to the Transmission Provider's Transmission System
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
  - Any periods of restricted operations throughout the year
  - Maintenance schedules
  - Minimum loading level of unit
  - Normal operating level of unit
  - Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWH) for redispatch computations;

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

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

(vii) Service Commencement Date and the term of the requested Network

Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year;

- (viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) satisfy the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program; and
- (ix) Any additional information required of the Transmission Customer as specified in (1) the Transmission Provider's planning process established in Attachment K; or (2) Attachment O.

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

### **29.3 Technical Arrangements to be Completed Prior to Commencement of Service**

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

#### **29.4 Network Customer Facilities**

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

#### **29.5 Filing of Service Agreement**

The Transmission Provider will file Service Agreements with the Commission in compliance with applicable Commission regulations.

## **30 Network Resources**

### **30.1 Designation of Network Resources**

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff. For purposes of temporary termination under Section 30.3, all or part of such generation associated with a NERC-registered Point of Receipt, behind which there are no transmission constraints, may be treated as a single Network Resource. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program or participating in the EIM in accordance with Attachment O. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

### **30.2 Designation of New Network Resources**

The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through the Transmission Provider's OASIS by a request for modification of service pursuant to an Application under Section 29. This request must include a statement that the new network resource satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. The Network Customer's request will be deemed deficient if it does not include this statement and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

### **30.3 Termination of Network Resources**

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notification to the Transmission Provider through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be

indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

- (i) Effective date and time of temporary termination;
- (ii) Effective date and time of redesignation, following period of temporary termination;
- (iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated or, where appropriate, identification of the NERC-registered Point of Receipt to which Network Resources are assigned and the capacity to be temporarily terminated;
- (iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and
- (v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

A Network Customer's redesignation of a Network Resource following a temporary termination may incorporate by reference the description of such Network Resource as submitted to Transmission Provider pursuant to Section 29.2 of this Tariff prior to such temporary termination (to the extent such description is not changed by such temporary termination), provided that such Network Customer confirms that such description (to the extent not so changed) is and remains accurate. As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

#### **30.4 Operation of Network Resources**

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to PSE EIM Participating Resources responding to Dispatch Instructions or to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability



of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service.

### **30.5 Network Customer Redispatch Obligation**

As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

### **30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider**

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

### **30.7 Limitation on Designation of Network Resources**

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.

### **30.8 Use of Interface Capacity by the Network Customer**

There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

### **30.9 Network Customer Owned Transmission Facilities**

The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider, to serve its power and transmission customers. For facilities added by the Network Customer subsequent to the May 14, 2007, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's ATRR. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

## **31 Designation of Network Load**

### **31.1 Network Load**

The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

### **31.2 New Network Loads Connected With the Transmission Provider**

The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with Commission policies.

### **31.3 Network Load Not Physically Interconnected with the Transmission Provider**

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

### **31.4 New Interconnection Points**

To the extent the Network Customer desires to add a new Delivery Point or interconnection point between the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable.

### **31.5 Changes in Service Requests**

Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

### **31.6 Annual Load and Resource Information Updates**

The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff including, but not limited to, any information provided under section 29.2(ix) pursuant to the Transmission Provider's planning process in Attachment K. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

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

### **32.1 Notice of Need for System Impact Study**

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

### **32.2 System Impact Study Agreement and Cost Reimbursement**

(i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.

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

### **32.3 System Impact Study Procedures**

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system

constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn.

#### **32.4 Facilities Study Procedures**

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required

Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

### **32.5 Penalties for Failure to Meet Study Deadlines**

Section 19.9 defines penalties that apply for failure to meet the 60-day study completion due diligence deadlines for System Impact Studies and Facilities Studies under Part II of the Tariff. These same requirements and penalties apply to service under Part III of the Tariff.

### **32.6 Clustering of Studies**

The Transmission Provider will consider clustering together System Impact Studies and clustering together Facilities Studies (whether such studies are pursuant to section 19 or section 32) if the Eligible Customer(s) requesting transmission service (Long-Term Firm Point-to-Point Service or Network Service) request in writing that the studies in connection with such service requests be clustered and the Transmission Provider determines that it can reasonably accommodate such clustering request and that such clustering will facilitate performance of such studies or design of upgrade(s) or addition(s) to the Transmission System in response to such requests. If studies are clustered, Transmission Provider may study and determine in satisfaction of its study obligations under section 19 or 32, as applicable, the upgrade(s) or addition(s) to the Transmission System that are needed to supply service requests of the requesting Eligible Customer(s), specifically including upgrades(s) or additions to the Transmission System that can accommodate one or more of such service requests. If studies are clustered,

- (i) all of the service requests for which the studies are clustered studies shall be deemed, for purposes of deadlines for performance of studies and responses to Eligible Customer(s), to have been submitted when the last of such requests has been submitted,
- (ii) all of the service requests for which the studies are clustered studies shall be deemed, for purposes of deadlines for performance of studies and responses to Eligible Customer(s), to have constituted Completed Applications when all of such requests have constituted Completed Applications, and
- (iii) if any of the Completed Applications for service requests for which studies are clustered is deemed terminated or withdrawn or is no longer a Completed Application, then all such Completed Applications shall be

deemed terminated or withdrawn only if such termination or withdrawn materially affects the clustered studies as they relate to the service requests for which the studies have been clustered.

The Transmission Provider shall upon request in writing determine in its discretion and advise in writing each of the Eligible Customer(s) that has submitted a service request that has been clustered pursuant to this section whether, when, and upon what conditions an Eligible Customer can opt out of a cluster; such determination may be based in whole or in part on Transmission Provider's determination of the likely effect of such opting out on service request(s) and the likely effect of such opting out on the ability of Transmission Provider to reasonably and timely process the service requests following such opting out. (In any event, the Transmission Provider may prevent an Eligible Customer from strategically selecting the clusters in which it participates in an attempt to avoid responsibility for needed Transmission System upgrade(s) or addition(s).) All System Impact Studies that are clustered together under this section shall be treated as a single System Impact Study for all purposes (including, for example, Section 32.5) and shall be performed pursuant to a single System Impact Study Agreement entered into among Transmission Provider and each of the Eligible Customer(s) that has submitted a service request that has been clustered together. Unless otherwise agreed in such agreement, the cost for the completion of the System Impact Study shall be allocated in equal amounts to each of such Eligible Customer(s). All Facilities Studies that are clustered together under this section shall be treated as a single Facilities Study for all purposes (including, for example, Section 32.5) and shall be performed pursuant to a single Facilities Study Agreement entered into among Transmission Provider and each of the Eligible Customer(s) that has submitted a service request that has been clustered together. Unless otherwise agreed in such agreement, the cost for the completion of the Facilities Study shall be allocated among such Eligible Customer(s) in proportion to the amounts of their respective requests for service (Long-Term Firm Point-to-Point Service or Network Service). If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of all Completed Applications by Eligible Customer(s) for service for which the studies have been clustered together (Long-Term Firm Point-to-Point Service or Network Service), the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested service that can be accommodated without addition of any facilities; such portion shall be allocated among such Eligible Customer(s) in proportion to the amounts of their respective requests for service (Long-Term Firm Point-to-Point Service or Network Service). However, the Transmission Provider shall not be obligated to provide the incremental amount of requested service that requires the addition of facilities or upgrade(s) to the Transmission System until such facilities or upgrades have been placed in service. Transmission Provider shall not be required to undertake any Transmission System upgrade(s) or addition(s) identified by a clustered Facilities Study unless all Eligible Customer(s) for service for which the studies have been clustered together enter into Service Agreements under which they in the aggregate are to pay the cost of any required Direct Assignment Facilities and any required Network Upgrades as determined by such Facilities Study. If any of such Eligible Customer(s) fails to enter into a Service Agreement (or request the filing of an unexecuted Service Agreement) and provide the required letter of credit or other form of security, the service request of each such Eligible



Customer shall be deemed terminated and withdrawn. This Section 32.6 sets forth the principal criteria and requirements to be applied to Transmission Provider's consideration of clustering of studies; additional or different criteria and requirements may be appropriate for any particular request for clustering of studies and may be applied by Transmission Provider to such request.

## **33 Load Shedding and Curtailments**

### **33.1 Procedures**

Prior to the Service Commencement Date, the Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the Transmission System and on systems directly and indirectly interconnected with Transmission Provider's Transmission System. The Parties will implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

### **33.2 Transmission Constraints**

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

### **33.3 Cost Responsibility for Relieving Transmission Constraints**

Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on the ratio of each Network Customer's hourly load (including its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3) coincident with the Transmission Provider's Monthly Transmission System Peak.

### **33.4 Curtailments of Scheduled Deliveries**

If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement.

### **33.5 Allocation of Curtailments**

The Transmission Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to the Network Customer's hourly load (including its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3) coincident with the Transmission Provider's Monthly Transmission System Peak. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Provider's schedules under similar circumstances.

### **33.6 Load Shedding**

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.

### **33.7 System Reliability**

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

## **34 Rates and Charges**

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

### **34.1 Monthly Demand Charge**

Charges for Network Integration Transmission Service shall be calculated annually using the ATRR. The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Monthly Network Load by the Transmission Provider's monthly transmission rate as established in Attachment H-1.

### **34.2 Determination of Network Customer's Monthly Network Load**

The Network Customer's Monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3) as measured at the customer's point of delivery on the transmission system, coincident with the Transmission Provider's Monthly Transmission System Peak.

### **34.3 Determination of Transmission Provider's Monthly Transmission System Load**

The Transmission Provider's monthly Transmission System load is the Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.

### **34.4 Redispatch Charge**

The Network Customer shall pay its portion of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

### **34.5 Stranded Cost Recovery**

The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

## **35 Operating Arrangements**

### **35.1 Operation under The Network Operating Agreement**

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

### **35.2 Network Operating Agreement**

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

### **35.3 Network Operating Committee**

A Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

**SCHEDULE 1**  
**Scheduling, System Control and Dispatch Service**

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

**Charge for Scheduling, System Control and Dispatch Service: All Transmission Customers shall pay a charge invoiced monthly for Scheduling, System Control and Dispatch Service equal to the amount set forth below. Charges shall be calculated on an annual basis using the annual revenue requirement derived from the populated formula in this Schedule 1. Annual updates to the Schedule 1 rate shall follow the procedures set forth in Attachment H-2.**

- 1) For Yearly Service, one-twelfth of the Yearly Rate determined pursuant to this Schedule 1 multiplied by either: (1) Reserved Capacity for Point-to-Point Transmission Service, or (2) Monthly Network Load calculated pursuant to Section 34.2 of the Tariff for Network Integration Transmission Service.**
- 2) For Monthly Service, the Monthly Rate determined pursuant to this Schedule 1 multiplied by Reserved Capacity.**
- 3) For Weekly Service, the Weekly Rate determined pursuant to this Schedule 1 multiplied by Reserved Capacity.**
- 4) For Daily On-Peak Service, the Daily On-Peak determined pursuant to this Schedule 1 multiplied by Reserved Capacity.**
- 5) For Daily Off-Peak Service, the Daily Off-Peak determined pursuant to this Schedule 1 multiplied by Reserved Capacity.**
- 6) For Hourly On-Peak Service, the Hourly On-Peak determined pursuant to this Schedule 1 multiplied by Reserved Capacity.**
- 7) For Hourly Off-Peak Service, the Hourly Off-Peak Rate determined pursuant to this Schedule 1 multiplied by Reserved Capacity.**

**The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily Rate pursuant to this Schedule 1 times the highest amount in megawatts of Reserved Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the Weekly Rate pursuant to this Schedule 1 times the highest amount in megawatts of Reserved Capacity in any hour during such week.**

**SCHEDULE 1 FORMULA RATE FOR  
SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE**

**PSE  
Scheduling, System Control and Dispatch Service  
Schedule 1**

<u>Line</u>	<u>Description</u>	<u>FERC Form 1 page #/ Ref.</u>	<u>Amount</u>
<u>1</u>	<u>(561.0) Load Dispatching</u>	<u>pg. 321.84b</u>	=
<u>2</u>	<u>(561.1) Load Dispatch-Reliability</u>	<u>pg. 321.85b</u>	=
<u>3</u>	<u>(561.2) Load Dispatch-Monitor and Operate Transmission System</u>	<u>pg. 321.86b</u>	=
<u>4</u>	<u>561.3) Load Dispatch-Transmission Service and Scheduling</u>	<u>pg. 321.87b</u>	=
<u>5</u>	<u>(561.4) Scheduling, System Control and Dispatch Services</u>	<u>pg. 321.88b</u>	=
<u>6</u>	<u>(561.5) Reliability, Planning and Standards Development</u>	<u>pg. 321.89b</u>	=
<u>7</u>	<u>Total 561 Costs for Schedule 1 Annual Revenue Requirement</u>	<u>(sum of Ln 1 through Ln 6)</u>	=
<u>8</u>	<u>Schedule 1 Annual Costs</u>	<u>(Ln 7)</u>	=
<u>9</u>	<u>Prior Year True Up</u>	<u>Attachment 6 of OATT Attachment H-1</u>	=
<u>10</u>	<u>Schedule 1 Annual Revenue Requirement</u>	<u>(Ln 8 + Ln 9)</u>	=
	<u>Schedule 1 - Rate Calculations</u>		
<u>11</u>	<u>Average 12-Month Demand - Current Year (kW)</u>	<u>Divisor</u>	
<u>12</u>	<u>Rate in \$/kW - Yearly</u>	<u>(Ln 10/Ln 11)</u>	=
<u>13</u>	<u>Rate in \$/kW - Monthly</u>	<u>((Ln 10/Ln 11)/12)</u>	=
<u>14</u>	<u>Rate in \$/kW - Weekly</u>	<u>((Ln 10/Ln 11)/52)</u>	=
<u>15</u>	<u>Rate in \$/kW - Daily On-Peak</u>	<u>(Ln 14/6)</u>	=
<u>16</u>	<u>Rate in \$/kW - Daily Off-Peak</u>	<u>(Ln 14/7)</u>	=
<u>17</u>	<u>Rate in \$/MW - Hourly On-Peak</u>	<u>((Ln 15/16) * 1000)</u>	=
<u>18</u>	<u>Rate in \$/MW - Hourly Off-Peak</u>	<u>((Ln 16/24) * 1000)</u>	=

**Notes:**

**1** Projected Annual Revenue Requirement (“ARR”) is based on prior year FERC Form 1 data (lines 1-6 for the prior year) and becomes effective with the projected ATRR.

**2** Prior year True-up Adjustment is calculated on Attachment 6 to Attachment H-1 of this Tariff as well as the related interest on prior year true-up.



**SCHEDULE 1A**  
**EIM Administrative Service**

This service recovers the administrative costs assessed by the CAISO as the MO of the EIM to the PSE EIM Entity in accordance with Sections 4.5.1.1.4, 4.5.1.3, 11.22.8, and 29.11(i) of the MO Tariff (EIM Administrative Costs). All Transmission Customers purchasing Long-Term Firm Point-to-Point Transmission Service, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, or Network Integration Transmission Service from the Transmission Provider shall be required to acquire EIM Administrative Service from the Transmission Provider.

EIM Administrative Costs assigned to the PSE EIM Entity shall be sub-allocated to Transmission Customers on the basis of Measured Demand for the month in which the EIM Administrative Costs were incurred.

**SCHEDULE 2**  
**Reactive Supply and Voltage Control from**  
**Generation or Other Sources Service**

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

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

The charge for Reactive Supply and Voltage Control from Generation or Other Sources Service provided by the Transmission Provider under this Tariff shall be:

Annual Rate	\$0.07533/kW-year
Monthly Rate	\$0.00628/kW-month
Weekly Rate	\$0.00145/kW-week
Peak daily:	\$0.241/mills/kW-day
Off-peak daily:	\$0.206/mills/kW-day
Peak hourly:	\$0.015/mills/kWh
Off-peak hourly:	\$0.009/mills/kWh

**SCHEDULE 3**  
**Regulation and Frequency Response Service**

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

The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge the Transmission Customer under either Schedule 3 or Schedule 13 for the regulation and frequency response burden imposed by the Transmission Customer, but not both.

A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase as such service an additional amount of reserved capacity equal to 1.21 percent of the Transmission Customer's Reserved Capacity for Point-To-Point Transmission Service or 1.21 percent of the Transmission Customer's Network Load responsibility for Network Integration Transmission Service. The billing determinants for this service shall be reduced by any portion of the 1.21 percent purchase obligation that a Transmission Customer obtains from third parties or supplies itself. The charge for Regulation and Frequency Response Service provided by the Transmission Provider under this Tariff will be:

Annual Rate	\$126.00/kW-year
Monthly Rate	\$10.50/kW-month
Weekly Rate	\$2.423/kW-week
Peak daily:	\$0.40385/kW-day
Off-peak daily:	\$0.34615/kW-day

Peak hourly:

25.24/mills/kWh

Off-peak hourly:

14.42/mills/kWh

## **SCHEDULE 4**

### **Energy Imbalance Service**

This Schedule 4 shall apply to Transmission Service for Transmission Customers other than Transmission Customers receiving service pursuant to Transmission Provider's Schedules 448 and 449, on file with the Washington Utilities and Transportation Commission. Transmission Customers receiving service pursuant to Transmission Provider's Schedules 448 and 449 shall take Energy Imbalance Service under Schedule 4R.

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

A Transmission Customer shall be charged or paid for Energy Imbalance Service measured as the deviation of the Transmission Customer's metered load compared to the load component of the Transmission Customer Base Schedule (as determined pursuant to Section 4.2.4 of Attachment O of this Tariff) settled as UIE for the period of the deviation at the applicable LAP price where the load is located, as determined by the MO under Section 29.11(b)(3)(C) of the MO Tariff.

**SCHEDULE 4R**  
**Energy Imbalance Service for Transmission Customers Taking**  
**Service Under Transmission Provider's Schedule 448 and Schedule 449**

This Schedule shall apply to Transmission Service for Transmission Customers taking service under Transmission Provider's Schedule 448 and Schedule 449, on file with the Washington Utilities and Transportation Commission. Such service will not be subject to charges under Schedule 4.

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

**4R.0** A Transmission Customer shall be charged or paid for Energy Imbalance Service measured as the deviation of the Transmission Customer's metered load compared to the load component of the Transmission Customer Base Schedule corresponding to the Transmission Customer's load (as determined pursuant to Section 4.2.4 of Attachment O of this Tariff) settled as UIE for the period of the deviation at the applicable LAP price where the load is located, as determined by the MO under Section 29.11(b)(3)(C) of the MO Tariff.

**4R.1** Transmission Customers shall have the right to aggregate their Loads and Supplied Power for purposes of determining the hourly imbalance energy. Transmission Provider has no obligation to provide excess energy required for Energy Imbalance Service using its own generation resources, but shall make commercially reasonable efforts to obtain in the market such excess energy.

**4R.2** Prior to commencing any complaint or court proceeding regarding any dispute between Transmission Provider and Transmission Customer, (i) Transmission Provider and Transmission Customer shall each make good faith efforts to resolve such dispute pursuant to alternative dispute resolution (ADR) procedures consistent with WAC 480-09-465 and (ii) pursuant to the foregoing, the Transmission Provider and Transmission Customer shall make use of ADR procedures to the maximum extent practicable in resolving such dispute.

**SCHEDULE 5**  
**Operating Reserve - Spinning Reserve Service**

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

A Transmission Customer purchasing Spinning Reserve Service will be required to purchase as such service an additional amount of reserved capacity equal to the sum of: 1) 1.5 percent of the Transmission Customer's reserved capacity for Point-to-Point Transmission Service or 1.5 percent of the Transmission Customer's Monthly Network Load for Network Integration Transmission Service; plus 2) 1.5 percent of the capacity of a generating resource (including designated Network Resources) identified as the "source" in the Transmission Customer's transmission schedule and located within or dynamically transferred to Transmission Provider's Control Area. The billing determinants for this service shall be reduced by any portion of the purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

Annual Rate	\$111.00/kW-year
Monthly Rate	\$9.25/kW-month
Weekly Rate	\$2.13/kW-week
Peak daily:	\$0.3558/kW-day
Off-peak daily	\$0.3043/kW-day
Peak hourly:	22.24 mills/kWh
Off-peak hourly:	12.68 mills/kWh

**SCHEDULE 6**  
**Operating Reserve - Supplemental Reserve Service**

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

A Transmission Customer purchasing Supplemental Reserve Service will be required to purchase as such service an additional amount of reserved capacity equal to the sum of: 1) 1.5 percent of The Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service or 1.5 percent of the Transmission Customer's Monthly Network Load for Network Integration Transmission Service; plus 2) 1.5% of the capacity of a generating resource (including designated Network Resources) identified as the "source" in the Transmission Customer's transmission schedule and located within or dynamically transferred to Transmission Provider's Control Area. The billing determinants for this service shall be reduced by any portion of the purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

Annual Rate	\$108.00/kW-year
Monthly Rate	\$9.00/kW-month
Weekly Rate	\$2.077/kW-week
Peak daily:	\$0.3462/kW-day
Off-peak daily	\$0.2967/kW-day
Peak hourly:	21.64 mills/kWh
Off-peak hourly:	12.36 mills/kWh



**SCHEDULE 7**  
**Long-Term Firm and Short-Term Firm**  
**Point-To-Point Transmission Service**

Charges under this Schedule 7 shall be calculated annually using the populated Formula Rate in Attachment H-1 in the column titled Washington Area Reclassified Total Transmission in row number 183. Charges shall be posted on Transmission Provider's OASIS on the publication date of the annual update of the ATRR, as indicated in the Protocols included in Attachment H-2.

The following rates apply to the Transmission Provider's Washington area facilities.

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

- 1) **Yearly delivery:** The amount identified in the posted Formula Rate/kW-year of Reserved Capacity.
- 2) **Monthly delivery:** The amount identified in the posted Formula Rate/kW-month of Reserved Capacity.
- 3) **Weekly delivery:** The amount identified in the posted Formula Rate/kW-week of Reserved Capacity.
- 4) **Daily delivery:** On-Peak: The amount identified in the posted Formula Rate/kW-day of Reserved Capacity On-Peak.  
Off-Peak: The amount identified in the posted Formula Rate/kW-day of Reserved Capacity Off-Peak.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in Section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

- 5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.
- 6) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be

governed by section 23.1 of the Tariff.

The charges set forth above are in connection with Transmission Service over facilities normally accounted for by Transmission Provider as transmission facilities. There may be additional charges as permitted by the Commission in connection with Transmission Service over facilities normally accounted for by Transmission Provider as distribution facilities.

- 7) **Facilities Not Included in rates:** Any customer requiring transmission over facilities not included in the base transmission rates set forth above (such as Direct Assignment Facilities) shall pay a separate charge for those facilities. These charges shall be specified in a service agreement and filed with the Commission. In addition to any such charges, if Customer uses the Colstrip Transmission Line facilities and/or the Southern Intertie, it shall pay the charges set forth in Schedule 10 for such usage. The annual Net Plant Carrying Charge found on line 168 of Attachment H-1 shall apply to the net distribution plant that is directly assigned to a customer taking wholesale distribution service over distribution facilities. The net distribution plant will be directly assigned to the customer based on the customer's pro-rata share of the non-coincident peak loading (or maximum net output of the unit) of the distribution facilities necessary to provide the service.
- 8) **Adjustments:** Charges in this Schedule are subject to adjustment by such other schedules in this tariff as may apply.

**SCHEDULE 8**  
**Non-Firm Point-To-Point Transmission Service**

Charges under this Schedule 8 shall be calculated annually using the populated Formula Rate in Attachment H-1 in the column titled Washington Area Reclassified Total Transmission and row number 183. Charges shall be posted on Transmission Provider's OASIS on the publication date of the annual update of the ATRR, as indicated in the Protocols included in Attachment H-2.

The following rates apply to Transmission Provider's Washington area facilities.

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

- 1) **Monthly delivery:** The amount identified in the posted Formula Rate/kW-month of Reserved Capacity.
- 2) **Weekly delivery:** The amount identified in the posted Formula Rate/kW-week of Reserved Capacity.
- 3) **Daily delivery:** On-Peak: The amount identified in the posted Formula Rate/kW-day of Reserved Capacity On-Peak.  
Off-Peak: The amount identified in the posted Formula Rate/kW-day of Reserved Capacity Off-Peak.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

- 4) **Hourly delivery:** On-Peak: The amount identified in the posted Formula Rate/kW-hour of Reserved Capacity On-Peak.  
Off-Peak: The amount identified in the posted Formula Rate/kW-hour of Reserved Capacity Off-Peak.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in Section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in Section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

- 5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted

on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

The charges set forth above are in connection with Transmission Service over facilities normally accounted for by Transmission Provider as transmission facilities. There may be additional charges as permitted by the Commission in connection with Transmission Service over facilities normally accounted for by Transmission Provider as distribution facilities.

- 6) **Facilities Not Included in Rates:** Any customer requiring transmission over facilities not included in the base transmission rates set forth above (such as Direct Assignment Facilities) shall pay a separate charge for those facilities. These charges shall be specified in a service agreement and filed with the Commission. In addition to any such charges, if the Customer uses the Colstrip Transmission Line facilities and/or the Southern Intertie, it shall pay the charges set forth in Schedule 10 for such usage. The annual Net Plant Carrying Charge found on line 168 of Attachment H-1 shall apply to the net distribution plant that is directly assigned to a customer taking wholesale distribution service over distribution facilities. The net distribution plant will be directly assigned to the customer based on the customer's pro-rata share of the non-coincident peak loading (or maximum net output of the unit) of the distribution facilities necessary to provide the service.
- 7) **Adjustments:** Charges in this Schedule are subject to adjustment by such other schedules in this tariff as may apply.

## **SCHEDULE 9**

### **Generator Imbalance Service**

Generator Imbalance Service is provided when a difference occurs between the output of a generator, that is not a PSE EIM Participating Resource, located in the Transmission Provider's Control Area and the resource component of the Transmission Customer Base Schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator.

The Transmission Provider shall establish charges for Generator Imbalance Service as follows (the following provisions do not apply to Transmission Customers which have received a Manual Dispatch or EIM Available Balancing Capacity dispatch, or which have communicated physical changes in the output of resources to the MO):

- (1) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the resource component of the Transmission Customer Base Schedule settled as UIE for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff.

The following provisions shall apply to Transmission Customers which have received a Manual Dispatch or EIM Available Balancing Capacity dispatch, or which have communicated physical changes in the output of resources to the MO:

- (1)
  - (a) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in the FMM, settled as UIE for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff; or
  - (b) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD, settled as UIE for the period of the deviation at the applicable PNode RTD price where the generator is located, as

determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff

- (2) (a) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in the FMM, compared to the resource component of the Transmission Customer Base Schedule, settled as IIE for the period of the deviation at the applicable PNode FMM price where the generator is located, as determined by the MO under Section 29.11(b)(1)(A)(ii) of the MO Tariff; or
- (b) Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD, compared to the FMM schedule, as IIE for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(2)(A)(ii) of the MO Tariff.

**Applicability to Interconnection Customers:**

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

**SCHEDULE 10**  
**High Voltage Direct Assignment Facilities - Colstrip and Southern**  
**Intertie Transmission Lines**

Charges under this Schedule 10 shall be calculated annually using the populated Formula Rate in Attachment H-1 in row 183. Charges shall be posted on the Transmission Provider's OASIS on the publication date of the annual update of the ATRR, as indicated in the Protocols included in Attachment H-2.

Pursuant to Section (7) of Schedule 7 and Section (6) of Schedule 8 of this Tariff, Schedule 10 is established to provide Point-to-Point and Network Transmission Customers the opportunity to use Transfer Capability over the Colstrip Transmission Line facilities and Southern Intertie Transmission facilities to the extent the capacity is available pursuant to the provisions of this tariff. For Point-to-Point Transmission Service, the charges listed in Section 9(a) or 9(b) will be in addition to those charges listed in Schedules 7 and 8, as applicable.

9(a) Colstrip Transmission Line facilities Point-to-Point Service

**(Ceiling Rates)**

Demand Charge per kW - year	The amount identified in the Formula Rate/kW-year.
Demand Charge per kW - month	The amount identified in the Formula Rate/kW-month.
Demand Charge per kW - week	The amount identified in the Formula Rate/kW-week.
Daily Peak Charge per kW	The amount identified in the Formula Rate/kW-day Peak.
Daily Off-Peak charge per kW	The amount identified in the Formula Rate/kW-day Off-Peak.
Hourly Peak Charge per MWh	The amount identified in the Formula Rate/MWh.
Hourly Off-Peak Charge per MWh	The amount identified in the Formula Rate/MWh.

9(b) Southern Intertie Line Point-to-Point Service

**(Ceiling Rates)**

Demand Charge per kW - year	The amount identified in the Formula Rate/kW-year.
Demand Charge per kW - month	The amount identified in the Formula Rate/kW-month.
Demand Charge per kW - week	The amount identified in the Formula Rate/kW-week.
Daily Peak Charge per kW	The amount identified in the Formula Rate/kW-day Peak.
Daily Off-Peak charge per kW	The amount identified in the Formula Rate/kW-day Off-Peak.
Hourly Peak Charge per MWh	The amount identified in the Formula Rate/MWh.
Hourly Off-Peak Charge per MWh	The amount identified in the Formula Rate/MWh.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the weekly rate specified in Section 9(a) or 9(b) above times the highest amount in kilowatts of Reserved Capacity in any day during such week. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified in Section 9(a) or 9(b) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the weekly rate specified in Section 9(a) or 9(b) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's



use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

The charges set forth above are in connection with Transmission Service over facilities normally accounted for by Transmission Provider as transmission facilities. There may be additional charges as permitted by the Commission in connection with Transmission Service over facilities normally accounted for by Transmission Provider as distribution facilities. The annual Net Plant Carrying Charge found on line 168 of Attachment H-1 shall apply to the net distribution plant that is directly assigned to a customer taking wholesale distribution service over distribution facilities. The net distribution plant will be directly assigned to the customer based on the customer's pro-rata share of the non-coincident peak loading (or maximum net output of the unit) of the distribution facilities necessary to provide the service.

6) **Adjustments.** Charges in this Schedule are subject to adjustment by such other schedules in this tariff as may apply.

**SCHEDULE 11**  
**Tax Rider**

All charges in this tariff other than for service over the Colstrip Transmission Line facilities or the Southern Intertie (which are not subject to Washington State excise taxes) are subject to an additional charge of 4.029 percent.

**SCHEDULE 12**  
**Real Power Losses on Washington Area Transmission Facilities**

The Transmission Customer taking Network Integration Transmission Service, Firm Point-to-Point, or Non-Firm Point-to-Point Transmission Service, excluding Energy Imbalance Service and Generator Imbalance Service, shall reimburse the Transmission Provider for Real Power Losses as provided in Sections 15.7 and 28.5 of this Tariff. The Transmission Customer must financially settle for Real Power Losses by reimbursement as specified herein.

Settlement of Real Power Losses associated with Energy Imbalance Service provided under Schedule 4 or Schedule 4R shall be pursuant to Schedule 4 or Schedule 4R of this Tariff, and settlement of Real Power Losses associated with Generator Imbalance Service provided under Schedule 9 shall be pursuant to Schedule 9 of this Tariff. The procedures to determine the amount of Real Power Losses associated with a Transmission Customer Base Schedule, as well as the reimbursement for Real Power Losses are set forth below.

The amount of Real Power Losses assessed to a Transmission Customer in a given hour shall be the product of such Transmission Customer Base Schedule during the hour in MWhs and the applicable loss factor provided in Sections 15.7 and 28.5.

The Transmission Customer shall compensate the Transmission Provider at a rate equal to the amount of Real Power Losses assessed to such Transmission Customer in a given hour multiplied by the hourly LAP price for the PSE BAA in that hour as established by the MO under section 29.11 (b)(3)(C) of the MO Tariff.

**SCHEDULE 12A**  
**Real Power Losses on Colstrip and Southern Intertie Transmission Lines**

The Transmission Customer taking service over the Colstrip and Southern Intertie High Voltage Direct Assignment Facilities pursuant to Schedule 10 shall reimburse Transmission Provider for Real Power Losses as provided in Sections 15.7 and 28.5 of this Tariff. The Transmission Customer must financially settle the losses by reimbursement as specified herein.

The Transmission Customer shall compensate the Transmission Provider for Real Power Losses assessed to such Transmission Customer in a given hour at a rate equal to the hourly LAP price for the PSE BAA as established by the MO under section 29.11 (b)(3)(C) of the MO Tariff based on the product of the actual transmission service provided (scheduled service less any curtailments, corrections or adjustments mutually agreed on by the Transmission Provider and the Transmission Customer) during each hour in MWhs and the applicable loss factor provided in Sections 15.7 and 28.5 of the Tariff.

**SCHEDULE 13**  
**Regulation and Frequency Response Service for**  
**Generators Selling Outside of Control Area**

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes for a generator located within the Control Area that is selling outside of the Control Area.

The obligation to maintain this balance between resources and the generator's schedule lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The generator located within the Control Area selling outside of the Control Area that is a Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements for the provision of generator regulation service, including the option to self-supply such service, to satisfy its Regulation and Frequency Response Service obligation. For the limited purpose of self-supplying Regulation and Frequency Response service, a non-dispatchable generator's volumetric purchase obligation is 15% of the non-dispatchable generator's point-to-point transmission service reservation. The Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, the Transmission Provider will share with the Transmission Customer its reasoning and any related data used to make the determination of whether the Transmission Customer has made alternative comparable arrangements.

The rates for Regulation and Frequency Response Service are set forth below, and will be applied to a Transmission Customer's Reserved Capacity for Point-To-Point Transmission Service to determine the applicable charge. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the generator that is a Transmission Customer are to reflect only a pass-through of the costs to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer under either Schedule 3 or 13 for the regulation and frequency response burden imposed by the Transmission Customer, but not both.

(a) For any wind or other non-dispatchable generator that is a Transmission Customer purchasing Regulation and Frequency Response Service provided by the Transmission Provider under Schedule 13 of this Tariff:

(i) the Base Rate charge will be:

Annual Rate: \$18.60/kW-year

Monthly Rate:	\$1.55/kW-month
Weekly Rate:	\$0.358/kW-week
Peak daily:	\$0.05962/kW-day
Off-peak daily:	\$0.05110/kW-day
Peak hourly:	3.73/mills/kWh
Off-peak hourly:	2.13/mills/kWh

- (ii) the Transmission Customer must submit, either manually or through a mutually agreeable automated process, transmission schedules derived from a T-30 persistence forecast for each hourly scheduling interval. A T-30 persistence forecast consists of the average actual output of the generation facility between T-31 to T-30 minutes preceding the scheduling interval. Transmission Customers shall make all reasonable efforts to schedule consistent with T-30 persistence forecasts; however, the Transmission Provider and any Transmission Customer will develop operating protocols to allow for exceptions to automatic persistence-based scheduling in appropriate circumstances (e.g., due to unforeseen circumstances or Force Majeure events) and with mutual agreement.
- (iii) The Transmission Provider will offer a Base Rate discount of 30 percent off the Base Rate charge in exchange for a commitment to submit a T-30 persistence schedule for each and every 30-minute scheduling interval. Specifically, the Transmission Customer may elect this discounted rate option with 90 days prior notice to the Transmission Provider to commence 30-30 scheduling, and 90 days prior notice to cease 30-30 scheduling. The availability of this 30 percent Base Rate discount is conditioned on the Transmission Customer's ability to submit and transact using 30-minute schedules for exports out of the Transmission Provider's Balancing Authority Area ("BAA"). Transmission Customers shall make all reasonable efforts to schedule consistent with T-30 persistence forecasts; however, the Transmission Provider and any Transmission Customer will develop operating protocols to allow for exceptions to automatic persistence-based scheduling in appropriate circumstances (e.g., due to unforeseen circumstances or Force Majeure events) and with mutual agreement.
- (iv) The Transmission Provider will offer a Base Rate discount of 50 percent discount off the Base Rate charge in exchange for a commitment to submit a T-25 persistence schedule for each and every 15-minute scheduling interval. A T-25 persistence schedule consists of the average output of the generation facility between T-26 to T-25 minutes preceding the scheduling interval. Specifically, the Transmission Customer may elect this 50 percent Base Rate discount with 90 days prior notice to the Transmission Provider to commence 25-15 scheduling and 90 days prior notice to cease 25-15 scheduling. The availability of this Base Rate discount is conditioned on the Transmission Customer's ability to submit and transact using 15-minute schedules for exports out of the

Transmission Provider's BAA. Transmission Customers shall make all reasonable efforts to schedule consistent with T-25 persistence forecasts; however, the Transmission Provider and any Transmission Customer will develop operating protocols to allow for exceptions to automatic persistence-based scheduling in appropriate circumstances (e.g., due to unforeseen circumstances or Force Majeure events) and with mutual agreement.

(b) For any dispatchable generator that is a Transmission Customer purchasing Regulation and Frequency Response Service provided by the Transmission Provider under Schedule 13 of this Tariff, the Base Rate charge will be:

Annual Rate:	\$1.26/kW-year
Monthly Rate:	\$0.105/kW-month
Weekly Rate:	\$0.024/kW-week
Peak daily:	\$0.0040/kW-day
Off-peak daily:	\$0.00346/kW-day
Peak hourly:	0.25/mills/kWh
Off-peak hourly:	0.14/mills/kWh

## ATTACHMENT A

### Form Of Service Agreement For Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between Puget Sound Energy, Inc. (the Transmission Provider), and \_\_\_\_\_ (“Transmission Customer”).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Transmission Customers requesting Short-Term Firm Point-to-Point Transmission Service shall consider this agreement as a blanket authorizing agreement for such service. Requests for specific Short-Term Firm Point-to-Point Transmission Service transactions must be submitted on the Transmission Provider’s OASIS.
- 5.0 Transmission Customers requesting Long-Term Firm Point-to-Point Transmission Service shall complete the Specifications sheet attached hereto.
- 6.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. With respect to requests for blanket authorization for Short-Term Firm Point-to-Point Transmission Service, the term of this agreement shall be three (3) years from the date referenced in Section 1.0, at which time Transmission Customer must provide notice to Transmission Provider that Transmission Customer would like to renew this agreement for an additional three (3) year term. With respect to Long-Term Firm Point-to-Point Transmission Service, the term of this agreement shall be mutually agreed to between the parties and included in the Specifications sheet attached hereto. Notwithstanding the foregoing, service under this agreement may be terminated on such other date as mutually agreed upon by the parties.
- 7.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 8.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

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

Transmission Customer:

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

9.0 The Tariff is incorporated herein and made a part hereof, including, without limitation, the specific Point-to-Point Transmission Service Products offered by Transmission Provider and identified in Attachment N.

10.0 Other provisions: \_\_\_\_\_

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

Transmission Provider:

By: \_\_\_\_\_  
Name Title Date

Transmission Customer:

By: \_\_\_\_\_  
Name Title Date

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

1.0 Term of Transaction: \_\_\_\_\_

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

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

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

\_\_\_\_\_

3.0 Point(s) of Receipt: \_\_\_\_\_

Delivering Party: \_\_\_\_\_

4.0 Point(s) of Delivery: \_\_\_\_\_

Receiving Party: \_\_\_\_\_

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity):

\_\_\_\_\_

6.0 Designation of party(ies) subject to reciprocal service obligation: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

7.0 Name(s) of any Intervening Systems providing transmission service:

\_\_\_\_\_

\_\_\_\_\_

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined consistent with the terms and conditions of the Tariff.)

8.1 Transmission Charge: \_\_\_\_\_

\_\_\_\_\_

8.2 Distribution Facilities Charge: \_\_\_\_\_

\_\_\_\_\_

8.3 System Impact and/or Facilities Study Charge(s): \_\_\_\_\_

\_\_\_\_\_

8.4 Direct Assignment Facilities Charge: \_\_\_\_\_

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8.5 Network Upgrades Charge and Charge for Other New and Upgraded Facilities:

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8.6 Redispatch Costs: \_\_\_\_\_

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8.7 Ancillary Services Charges: \_\_\_\_\_

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8.8 Other Charges: \_\_\_\_\_

**ATTACHMENT A-1**

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

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between Puget Sound Energy, Inc. (the Transmission Provider), and \_\_\_\_\_ (the Assignee).
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained. Assignees requesting Short-Term Firm Point-to-Point Transmission Service shall consider this agreement as a blanket authorizing agreement for such service. Requests for specific Short-Term Firm Point-to-Point Transmission Service transactions must be submitted on the Transmission Provider's OASIS. Each Assignee shall complete the Specifications sheet attached hereto.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transfer capability (pursuant to Section 23.1 of this Tariff) and the Assignee to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
- 4.0 The Transmission Provider shall credit the Reseller for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.
- 5.0 With respect to requests for blanket authorization for Short-Term Firm Point-to-Point Transmission Service, the term of this agreement shall be three (3) years from the date referenced in Section 1.0, at which time Assignee must provide notice to Transmission Provider that Assignee would like to renew this agreement for an additional three (3) year term. With respect to other Firm Point-to-Point Transmission Service, the term of this agreement shall be mutually agreed to between the parties and included in the Specifications sheet attached hereto.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

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

\_\_\_\_\_  
Assignee:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7.0 The Tariff is incorporated herein and made a part hereof, including, without limitation, the specific Point-to-Point Transmission Service Products offered by Transmission Provider and identified in Attachment N.

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

Transmission Provider:

By: \_\_\_\_\_  
Name Title Date

Assignee:

By: \_\_\_\_\_  
Name Title Date

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

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

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9.0 Name of Reseller of the reassigned transfer capability:

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**ATTACHMENT B**

**Form Of Service Agreement For  
Non-Firm Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between Puget Sound Energy, Inc. (the Transmission Provider), and \_\_\_\_\_ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 Transmission Customers requesting Non-Firm Point-to-Point Transmission Service shall consider this agreement as a blanket authorizing agreement for such service. Requests for specific Non-Firm Point-to-Point Transmission Service transactions must be submitted on the Transmission Provider's OASIS.
- 6.0 The term of this agreement shall be three (3) years from the date referenced in Section 1.0, at which time Transmission Customer must provide notice to Transmission Provider that Transmission Customer would like to renew this agreement for an additional three (3) year term.
- 7.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 8.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

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



Transmission Customer:

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

9.0 The Tariff is incorporated herein and made a part hereof, including, without limitation, the specific Point-to-Point Transmission Service Products offered by Transmission Provider and identified in Attachment N.

10.0 Other Provisions: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Transmission Provider:

By: \_\_\_\_\_  
Name Title Date

Transmission Customer:

By: \_\_\_\_\_  
Name Title Date

## ATTACHMENT C

### Methodology to Assess Available Transmission Capability

This Attachment C contains Transmission Provider's methodology for determination of Available Transfer Capability (ATC). ATC is defined as a measure of the transfer capability remaining in the physical transmission network for further commercial activity over and above already committed uses. It is defined as Total Transfer Capability less Existing Transmission Commitments (including retail customer service), less a Capacity Benefit Margin, less a Transmission Reliability Margin, plus Postbacks, plus counterflows. Transmission Provider posts its Available Transfer Capability Implementation Document (ATCID) on its OASIS.

#### 1.0 Description of Mathematical Algorithm Used to Calculate Firm ATC

1.1 Transmission Provider uses the following equation to calculate firm ATC as provided in MOD-029-1, R7:

R7. When calculating firm ATC for an ATC Path for a specified period, the Transmission Service Provider [(Transmission Provider)] shall use the following algorithm:

$$ATC_F = TTC - ETC_F - CBM - TRM + Postbacks_F + counterflows_F$$

#### Where

**ATC<sub>F</sub>** is the firm Available Transfer Capability for the ATC Path for that period.

**TTC** is the Total Transfer Capability of the ATC Path for that period.

**ETC<sub>F</sub>** is the sum of existing firm commitments for the ATC Path during that period.

**CBM** is the Capacity Benefit Margin for the ATC Path during that period.

**TRM** is the Transmission Reliability Margin for the ATC Path during that period.

**Postbacks<sub>F</sub>** are changes to firm Available Transfer Capability due to a change in the use of Transmission Service for that period, as defined in Business Practices.

**counterflows<sub>F</sub>** are adjustments to firm Available Transfer Capability as determined by the Transmission Service Provider and specified in their ATCID [(Available Transfer Capability Implementation Document)].

1.2 Transmission Provider uses the above equation to calculate firm ATC for its three ATC calculation horizons: Planning Horizon, Operational Horizon, and

Scheduling Horizon.

## 2.0 Description of Mathematical Algorithm Used to Calculate Non-Firm ATC

- 2.1 Transmission Provider uses the following equation to calculate non-firm ATC as provided in MOD-029-1, R8:

$$ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM_S - TRM_U + Postbacks_{NF} + counterflows_{NF}$$

Where:

**ATC<sub>NF</sub>** is the non-firm Available Transfer Capability for the ATC Path for that period.

**TTC** is the Total Transfer Capability of the ATC Path for that period.

**ETC<sub>F</sub>** is the sum of existing firm commitments for the ATC Path during that period.

**ETC<sub>NF</sub>** is the sum of existing non-firm commitments for the ATC Path during that period.

**CBM<sub>S</sub>** is the Capacity Benefit Margin for the ATC Path that has been scheduled during that period.

**TRM<sub>U</sub>** is the Transmission Reliability Margin for the ATC Path that has not been released for sale (unreleased) as non-firm capacity by the Transmission Service Provider during that period.

**Postbacks<sub>NF</sub>** are changes to non-firm Available Transfer Capability due to a change in the use of Transmission Service for that period, as defined in Business Practices.

**counterflows<sub>NF</sub>** are adjustments to non-firm Available Transfer Capability as determined by the Transmission Service Provider and specified in its ATCID.

- 2.2 Transmission Provider uses the above equation to calculate non-firm ATC for its three ATC calculation horizons: Planning Horizon, Operational Horizon, and Scheduling Horizon.

## 3.0 ATC Calculation Horizons

Transmission Provider uses the OATi webTrans ATC calculator for all its posted paths. This application provides three ATC calculation horizons: Planning, Operational, Scheduling:

### 3.1 Planning Horizon

The Planning Horizon is from the end of the Operational Horizon to 10 years from now.

### **3.2 Operational Horizon**

Operational Horizon is from the end of the Scheduling Horizon to 54 days from now. These calculations do include the impacts of tags.

### **3.3 Scheduling Horizon**

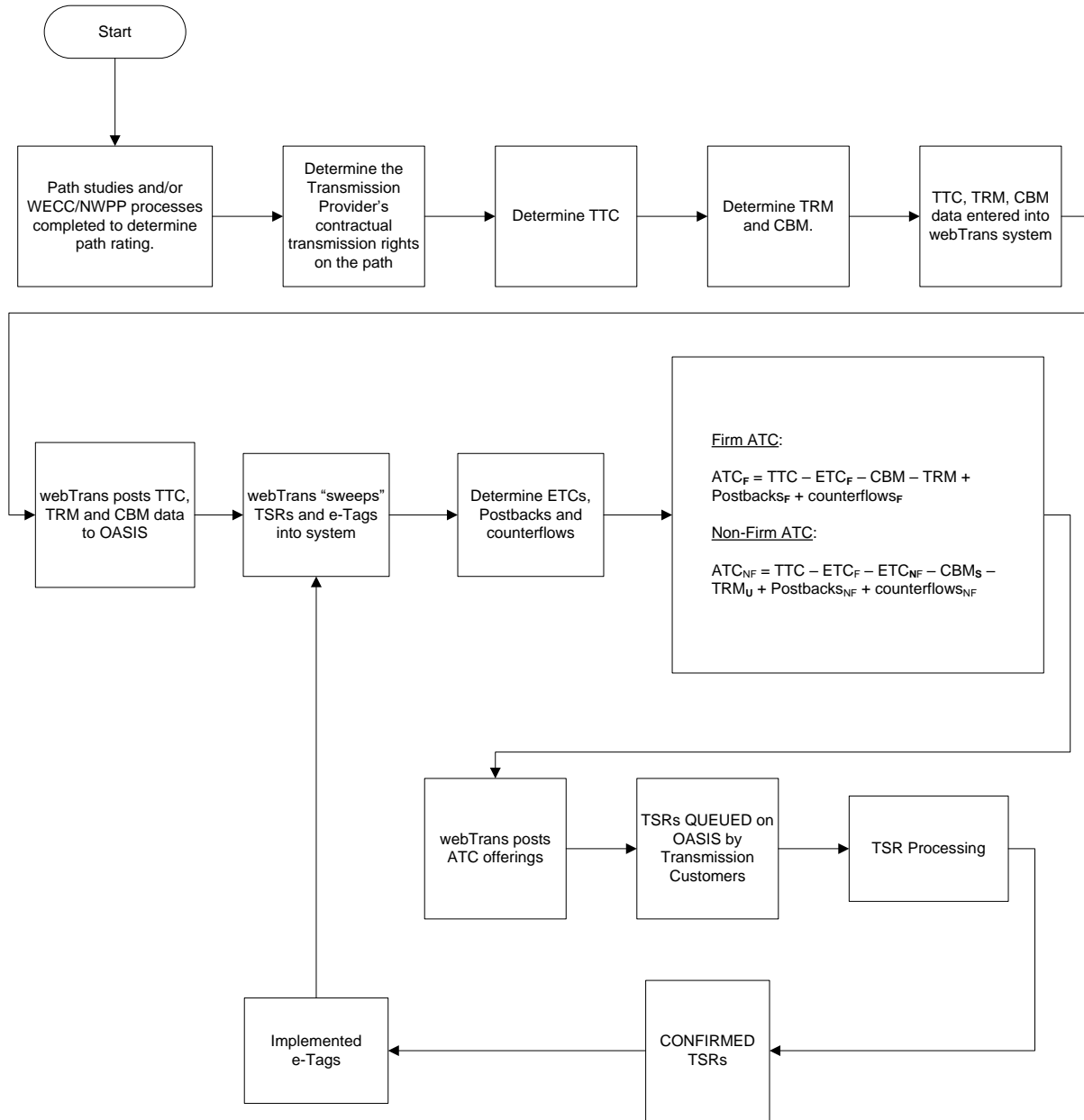
Scheduling Horizon is the current real-time hour and the next following 168 hours. These calculations do include the impacts of tags.

### **4.0 Link to Actual Mathematical Algorithms**

[http://www.oatioasis.com/PSEI/PSEIdocs/ATC\\_Algorithm.pdf](http://www.oatioasis.com/PSEI/PSEIdocs/ATC_Algorithm.pdf)

## 5.0 Process Flow Diagram Illustrating Various Steps Through Which ATC is Calculated

PSEI's ATC Calculation Flow Diagram



## **6.0 Description of How Each ATC Component is Calculated**

### **6.1 Total Transfer Capability (TTC)**

Total Transfer Capability (TTC) is defined as the amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of transmission lines (or paths) between those areas under specified system conditions.

#### **6.1.1 TTC Calculation Methodology and Assumptions**

Transmission Provider uses the following methodology and assumptions to calculate TTC as provided in MOD-029-1, R1-R4:

- R1. When calculating TTCs for ATC Paths, the Transmission Operator shall use a Transmission model which satisfies the following requirements:
  - R1.1. The model utilizes data and assumptions consistent with the time period being studied and that meets the following criteria:
    - R1.1.1. Includes at least:
      - R1.1.1.1. The Transmission Operator area. Equivalent representation of radial lines and facilities 161kV or below is allowed.
      - R1.1.1.2. All Transmission Operator areas contiguous with its own Transmission Operator area. (Equivalent representation is allowed.)
      - R1.1.1.3. Any other Transmission Operator area linked to the Transmission Operator's area by joint operating agreement. (Equivalent representation is allowed.)
    - R1.1.2. Models all system Elements as in-service for the assumed initial conditions.
    - R1.1.3. Models all generation (may be either a single generator or multiple generators) that is greater than 20 MVA at the point of interconnection in the studied area.
    - R1.1.4. Models phase shifters in non-regulating mode, unless otherwise specified in the Available Transfer Capability Implementation Document (ATCID).

- R1.1.5. Uses Load forecast by Balancing Authority
- R1.1.6. Uses Transmission Facility additions and retirements.
- R1.1.7. Uses Generation Facility additions and retirements.
- R1.1.8. Uses Special Protection System (SPS) models where currently existing or projected for implementation within the studied time horizon.
- R1.1.9. Models series compensation for each line at the expected operating level unless specified otherwise in the ATCID.
- R1.1.10. Includes any other modeling requirements or criteria specified in the ATCID.

R2. The Transmission Operator shall use the following process to determine TTC:

R2.1. Except where otherwise specified within MOD-029-1, adjust base case generation and Load levels within the updated power flow model to determine the TTC (maximum flow or reliability limit) that can be simulated on the ATC Path while at the same time satisfying all planning criteria contingencies as follows:

R2.1.1. When modeling normal conditions, all Transmission Elements will be modeled at or below 100% of their continuous rating.

R2.1.2. When modeling contingencies the system shall demonstrate transient, dynamic and voltage stability, with no Transmission Element modeled above its Emergency Rating.

R2.1.3. Uncontrolled separation shall not occur.

R2.2. Where it is impossible to actually simulate a reliability-limited flow in a direction counter to prevailing flows (on an alternating current Transmission line), set the TTC for the non-prevailing direction equal to the TTC in the prevailing direction. If the TTC in the prevailing flow direction is dependant on a Special Protection System (SPS), set the TTC for the non-prevailing flow direction equal to the greater of the maximum flow that can be simulated in the non-prevailing flow direction or the maximum TTC that can be achieved in the prevailing flow direction without use of a SPS.

- R2.3. For an ATC Path whose capacity is limited by contract, set TTC on the ATC Path at the lesser of the maximum allowable contract capacity or the reliability limit as determined by R2.1.
- R2.4. For an ATC Path whose TTC varies due to simultaneous interaction with one or more other paths, develop a nomogram describing the interaction of the paths and the resulting TTC under specified conditions.
- R2.5. The Transmission Operator shall identify when the TTC for the ATC Path being studied has an adverse impact on the TTC value of any existing path. Do this by modeling the flow on the path being studied at its proposed new TTC level simultaneous with the flow on the existing path at its TTC level while at the same time honoring the reliability criteria outlined in R2.1. The Transmission Operator shall include the resolution of this adverse impact in its study report for the ATC Path.
- R2.6. Where multiple ownership of Transmission rights exists on an ATC Path, allocate TTC of that ATC Path in accordance with the contractual agreement made by the multiple owners of that ATC Path.
- R2.7. For ATC Paths whose path rating, adjusted for seasonal variance, was established, known and used in operation since January 1, 1994, and no action has been taken to have the path rated using a different method, set the TTC at that previously established amount.
- R2.8. Create a study report that describes the steps above that were undertaken (R2.1 - R2.7), including the contingencies and assumptions used, when determining the TTC and the results of the study. Where three phase fault damping is used to determine stability limits, that report shall also identify the percent used and include justification for use unless specified otherwise in the ATCID.
- R3. Each Transmission Operator shall establish the TTC at the lesser of the value calculated in R2 or any System Operating Limit (SOL) for that ATC Path.
- R4. Within seven calendar days of the finalization of the study report, the Transmission Operator shall make available to the [Transmission Provider] of the ATC Path, the most current value for TTC and the TTC study report documenting the assumptions used and steps taken in determining the current value for TTC for that ATC Path.



### 6.1.2. Databases Used in TTC Assessments

The power flow studies used in Transmission Provider's TTC assessments are based on system base cases developed through the Western Electricity Coordinating Council (WECC).

## 6.2 Existing Transmission Commitments (ETCs)

Existing Transmission Commitments (ETCs) are defined as committed uses of Transmission Provider's Transmission System considered when determining ATC.

### 6.2.1 Calculation Methodology

Transmission Provider uses the following methodology and assumptions to calculate TTC as provided in MOD-029-1, R5-R6:

- R5. When calculating ETC for firm Existing Transmission Commitments (ETCF) for a specified period for an ATC Path, the Transmission Service Provider shall use the algorithm below:

$$ETC_F = NL_F + NITS_F + GF_F + PTP_F + ROR_F + OS_F$$

Where:

**NL<sub>F</sub>** is the firm capacity set aside to serve peak Native Load forecast commitments for the time period being calculated, to include losses, and Native Load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

**NITS<sub>F</sub>** is the firm capacity reserved for Network Integration Transmission Service serving Load, to include losses, and Load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

**GF<sub>F</sub>** is the firm capacity set aside for grandfathered Transmission Service and contracts for energy and/or Transmission Service, where executed prior to the effective date of a Transmission Service Provider's Open Access Transmission Tariff or "safe harbor tariff."

**PTP<sub>F</sub>** is the firm capacity reserved for confirmed Point-to-Point Transmission Service.

**ROR<sub>F</sub>** is the firm capacity reserved for Roll-over rights for contracts granting Transmission Customers the right of first refusal to take or continue to take Transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.

**OS<sub>F</sub>** is the firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using Firm Transmission Service as specified in the ATCID.

- R6. When calculating ETC for non-firm Existing Transmission Commitments (ETCNF) for all time horizons for an ATC Path the Transmission Service Provider shall use the following algorithm:

$$ETCNF = NITS_{NF} + GF_{NF} + PTP_{NF} + OS_{NF}$$

Where:

**NITS<sub>NF</sub>** is the non-firm capacity set aside for Network Integration Transmission Service serving Load (i.e., secondary service), to include losses, and load growth not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

**GF<sub>NF</sub>** is the non-firm capacity set aside for grandfathered Transmission Service and contracts for energy and/or Transmission Service, where executed prior to the effective date of a Transmission Service Provider's Open Access Transmission Tariff or "safe harbor tariff."

**PTP<sub>NF</sub>** is non-firm capacity reserved for confirmed Point-to-Point Transmission Service.

**OS<sub>NF</sub>** is the non-firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using non-firm transmission service as specified in the ATCID.

### **6.2.3 Determination of Transmission Capacity Set Aside for Native Load, Network Load, and non-OATT Customers**

Transmission capacity for service for Network Load, native load, and non-OATT customers (such as grandfathered or pre-Order No. 888 contracts) is accounted for by confirmed TSRs, which are included in ETC and deducted as such in the determination of ATC.

### **6.2.4 Incorporation of Point-To-Point Transmission Service Requests (TSRs)**

Existing, confirmed TSRs for Point-To-Point Transmission Service are modeled using the specified megawatt quantity, Point(s) of Receipt, and Point(s) of Delivery. Transmission capacity for service for Point-To-Point customers is accounted for by confirmed TSRs, which are included in ETC and are deducted as such in the determination of ATC.

### **6.2.5 Accounting for Rollover Rights**

Upon confirmation of a long-term firm point-to-point TSR of at least five years in duration, Transmission Provider's OASIS decrement firm ATC corresponding with the rollover rights.

## **6.2.6 Process For Ensuring that Non-Firm Capacity is Released Properly**

Transmission Provider's OASIS will post all unscheduled firm ATC as non-firm ATC at the transition from the Operating Horizon to the Scheduling Horizon. Transmission Provider's OATT section 18.3 governs TSR submittals for non-firm ATC.

## **6.3 Available Flowgate Capacity (AFC) Methodology**

Available Flowgate Methodology is outlined in MOD-030-1. Transmission Provider does not employ this methodology for any of its ATC Paths for any of its time frames.

## **6.4 Transmission Reliability Margin (TRM)**

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

Transmission Provider does not currently maintain TRM; as a result, there is no TRM set aside on any posted path for any ATC calculation horizons.

### **6.4.1 Calculation Methodology**

The methodology of any calculation to be used in any TRM assessment by Transmission Provider would depend upon the particular component of uncertainty being considered in the TRM determination.

### **6.4.2 Databases Used in TRM Assessments**

The determination of any databases to be used in any TRM assessment by Transmission Provider would depend upon the particular component of uncertainty being considered in the TRM determination.

### **6.4.3 Conditions Under Which the Transmission Provider Uses TRM**

Transmission Provider currently does not maintain TRM; as a result, there is no TRM set aside on any posted path for any ATC calculation horizons. Transmission Provider will annually reevaluate its need to maintain TRM.

## **6.5 Capacity Benefit Margin (CBM)**

Capacity Benefit Margin (CBM) is defined as the amount of firm transmission transfer capability preserved by the Transmission Provider for Load-Serving Entities (LSEs), whose loads are located on Transmission Provider's Transmission System, to enable access by the LSEs to generation from interconnected systems to meet generation reliability requirements. Preservation of CBM for an LSE allows that entity to reduce its installed generating capacity

below that which may otherwise have been necessary without interconnections to meet its generation reliability requirements. The transmission transfer capability preserved as CBM is intended to be used by the LSE only in times of emergency generation deficiencies.

Transmission Provider does not currently maintain CBM; as a result, there is no CBM set aside on any posted path for any ATC calculation horizons. Transmission Provider will annually reevaluate its own need to maintain CBM.

#### **6.5.1 Databases Used in its CBM Assessments**

The determination of any databases to be used in any CBM assessment by Transmission Provider would depend upon an evaluation of the requested CBM and the circumstances of the requesting LSE.

#### **6.5.2 Demonstration of No Double-Counting of Contingency Outages When Performing CBM, TTC, and TRM Calculations**

Not applicable because, as indicated above, currently there is no TRM or CBM set aside on any posted path for any ATC calculation horizons.

#### **6.5.3 Procedures for Allowing the Use of CBM**

Not applicable because currently there is no CBM set aside on any posted path for any ATC calculation horizons. At any time that CBM has been requested and set aside for an LSE whose loads are located on Transmission Provider's Transmission System, such LSE may request to use CBM by submitting a tag referencing the TSR for the CBM. Transmission Provider will use reasonable efforts to evaluate such requests on a case-by-case basis under applicable reliability standards governing the conditions for which CBM may be used.

### **6.6 Postback Methodology**

Postbacks are defined as a variable component of Transmission Provider's selected ATC calculation methodology that positively impacts ATC based on a change in status of a TSR or use of reserved capacity, or other conditions as specified in Transmission Provider's Business Practices.

**6.6.1** Transmission Provider uses the OATi webTrans ATC calculator for all its posted paths, which automatically incorporates postbacks. Pursuant to Transmission Provider's Business Practices, postbacks include but are not necessarily limited to:

**6.6.1.1** Annulment of ATC reservation

**6.6.1.2** Redirection of transmission service on a firm basis

**6.6.1.3** Recall of transmission capacity

**6.6.1.4** Release of unscheduled firm capacity

- 6.6.1.5** Termination of DNR
- 6.6.1.6** Termination of secondary network reservation
- 6.6.1.7** Relinquishment
- 6.6.1.8** Downward adjustments of firm network schedules
- 6.6.1.9** Downward adjustments of firm point-to-point schedules

## **6.7 Counterflow Methodology**

Counterflows are defined as counterschedule adjustments to ATC to reflect scheduled usage in the opposite direction.

- 6.7.1** Transmission Provider does not adjust firm ATC to reflect counterflows. As a result, the counterschedule adjustment to firm ATC is set equal to zero.
- 6.7.2** Transmission Provider adjusts non-firm ATC to reflect counterflows only in the Scheduling Horizon. Transmission Provider uses the OATi webTrans ATC calculator, which automatically makes these adjustments.

## **ATTACHMENT D**

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

Transmission Provider will complete a System Impact Study using, to the extent consistently applied by Transmission Provider, the criteria and process for assessing the capability of the Transmission System as detailed in Sections 4 and 5 of Transmission Provider's then most recent FERC Form 715 submittal. In determining the level of capacity available for new Firm Point-To-Point Transmission Service requests, Transmission Provider may exclude, from capacity to be made available for new Firm Point-To-Point Transmission Service requests, that capacity needed to meet (i) then current and reasonably forecasted load of Native Load Customers and Network Customers, (ii) then existing commitments to Transmission Provider or others of Firm Point-To-Point Transmission Service and Network Integration Transmission Service under this Tariff, (iii) previously received pending Applications for Firm Point-To-Point Transmission Service and for Network Integration Transmission Service under this Tariff, and (iv) then existing firm obligations under other tariffs, contracts and rate schedules.

## **ATTACHMENT E**

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

See Transmission Provider's Electric Quarterly Report at the following Internet address:  
<<http://www.ferc.gov/docs-filing/eqr/data.asp>>.

## **ATTACHMENT F**

### **Service Agreement For Network Integration Transmission Service**

To be filed by the Transmission Provider and may include but shall not be limited to provisions addressing the following:

1. term of transaction,
2. start date and termination date,
3. charges and losses, and
4. facilities to be installed.



## **ATTACHMENT G**

### **Network Operating Agreement**

To be filed by the Transmission Provider and may include but shall not be limited to provisions addressing the following:

1. load shedding,
2. equipment to be installed,
3. transfer of data, and
4. other technical and operational considerations for implementation of Part III of the Tariff.

**ATTACHMENT H**  
**Annual Transmission Revenue Requirement**  
**For Network Integration Transmission Service**

1. Charges for Network Integration Transmission Service shall be calculated annually using the Transmission Provider's ATRR, which is derived from the Formula Rate set forth in Attachment H-1 in the column titled Washington Area Transmission and row number 181. The resulting rate is posted on the Transmission Provider's OASIS. The charge for Network Integration Transmission Service shall be updated annually on June 1 of each year in accordance with Attachment H-2. The \$/kW-year annual transmission charge in row 183, divided by 12, shall be assessed to the Network Customer's Monthly Network Load calculated pursuant to Section 34.2 of the Tariff.

2. The Formula Rate in Attachment H-1 shall be effective until amended by the Transmission Provider or modified by the Commission.

3. Facilities not included in the ATRR set forth in (1) and (2) above include Direct Assignment Facilities, Colstrip Transmission Line facilities, and the Southern Intertie. If Customer uses the Colstrip Transmission Line facilities and/or the Southern Intertie, it shall pay the charges set forth in Schedule 10 for such usage. The annual Net Plant Carrying Charge found on line 168 of Attachment H-1 shall apply to the net distribution plant that is directly assigned to a customer taking wholesale distribution service over distribution facilities. The net distribution plant will be directly assigned to the customer based on the customer's pro-rata share of the non-coincident peak loading (or maximum net output of the unit) of the distribution facilities necessary to provide the service.

4. Adjustments. Charges for Network Integration Transmission Service are subject to adjustment by such other schedules in this tariff as may apply.

**ATTACHMENT H**  
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4. Adjustments. Charges for Network Integration Transmission Service are subject to adjustment by such other schedules in this tariff as may apply.

## ATTACHMENT H-2

### **Puget Sound Energy, Inc. Formula Rate Implementation Protocols**

#### **Section 1     General**

(a) Puget Sound Energy, Inc. (“PSE”) employs the Formula Rate (found at Attachments H-1 and H-2 of this Tariff) to calculate its base rates for Network Integration Transmission Service and Point-to-Point Transmission Services on PSE’s Washington Area facilities, Point-to-Point Transmission Service on PSE’s Colstrip and Southern Intertie facilities, and for Ancillary Service Schedule 1 (Scheduling, System Control and Dispatch Service), annually, in accordance with the Protocols set forth herein. PSE employs an Annual Update Process, which refreshes the calculation of these rates by populating the Formula in Attachment H-1 with prior-year information from PSE’s Federal Energy Regulatory Commission (“FERC”) Form No. 1, other historical data, including additional detail and company records, and projected net capital additions for the current Calendar Year. PSE provides on the last page of these Protocols a timeline/chart illustrating this Annual Update Process. The Annual Update Process does not effect any changes to the Formula Rate itself. PSE will hold an Open Meeting each year to provide an additional opportunity for Interested Parties to obtain information about the Annual Update.

(b) Protocols Definitions:

(i) “Actual Annual Transmission Revenue Requirement” (“Actual ATRR”) means the actual net annual transmission revenue requirement calculated in accordance with the Formula Rate, using as inputs only those costs and credits properly recorded, or that should have been recorded, in PSE’s most recent FERC Form No. 1 (to the extent the Formula Rate specifies FERC Form No. 1 data as the input source) or data reconcilable to the FERC Form No. 1 by the application of clearly identified and supported information that is properly recorded, or that should have been recorded, in PSE’s books and records, which books and records are maintained in accordance with (A) PSE’s accounting policies and practices, (B) PSE’s cost allocation policies, including inter-corporate cost allocation methodologies, (C) the Uniform System of Accounts (“USofA”), and (D) the FERC’s accounting policies, practices, procedures and directives as each of (A) through (D) exists as of the last day of the preceding Calendar Year. Where the reconciliation to FERC Form No. 1 is provided through a worksheet included in the filed Formula, the inputs to the worksheet shall be either taken directly from the FERC Form No. 1 or reconcilable to the FERC Form No. 1 by the application of clearly identified and supported information.

(ii) “Annual Review Procedures” means the procedures for review of each Annual Update, as described in these Protocols.

(iii) “Annual Update” means the calculation and publication of the Actual ATRR for

the prior Calendar Year, and the Projected ATRR (including the True-Up Adjustment) and associated charges for transmission services and Ancillary Service Schedule 1 to be applicable for the upcoming Rate Year, beginning in 2013.

(iv) “Annual Update Process” means the annual process by which the transmission service and Ancillary Service Schedule 1 rates under this Tariff are calculated by populating the Formula with information reflecting the Projected ATRR.

(v) “Calendar Year” means January 1<sup>st</sup> through December 31<sup>st</sup> of a given year.

(vi) “Discovery Period” means the period for serving Information Requests pursuant to Section 3 of these Protocols, commencing as of the calendar day immediately following the Publication Date and ending one hundred fifty (150) days after the Publication Date. The Discovery Period may be extended only as provided in Sections 3(a)(ii) and 3(a)(iii) of these Protocols.

(vii) “Formal Challenge” means a dispute regarding an aspect of the Annual Update that is raised with the FERC by an Interested Party pursuant to these Protocols, and served on PSE by electronic service on the date of such filing.

(viii) “Formula” means the cost-of-service template and associated attachments and worksheets shown in Attachment H-1 of this Tariff.

(ix) “Formula Rate” means the Formula together with the Protocols.

(x) “Information Request” means a request served by email upon PSE by an Interested Party within the Discovery Period for information or documents relating to an Annual Update as provided for in these Protocols.

(xi) “Initial Rate Period” means the initial period, from the date the rates are first made effective by the Commission thru May 31, 2013.

(xii) “Interested Party” means any entity having standing in a FERC proceeding investigating the rates, terms, or conditions of the Formula Rate.

(xiii) “Material Accounting Change” means any change in (A) PSE’s accounting policies, practices and procedures, including changes resulting from revisions to the FERC’s USofA and/or FERC Form No. 1 reporting requirements or changes in accounting policies, practices, procedures and directives mandated by either the FERC or a state commission or their successors, from those in effect during the Calendar Year upon which the most recent Actual ATRR was based and that, in PSE’s exercise of reasonable judgment, could impact the Formula Rate or calculations under the Formula, or (B) PSE’s cost allocation policies, including inter-corporate cost allocation methodologies, from those policies or methodologies in effect for the Initial Rate Period or Calendar Year upon which the immediately preceding True-Up Adjustment was based and that, in PSE’s exercise of reasonable judgment, could impact the Formula Rate or calculations under the Formula.

(xiv) “Open Meeting” means an open meeting or conference call (in Webinar format)

that shall permit PSE to explain and clarify, and shall provide Interested Parties an opportunity to seek information and clarification concerning the Annual Update. PSE shall provide notice of the time, date, and location of, and/or the call-in information for, the Open Meeting on its Internet website, within two (2) business days after the Publication Date, and the Open Meeting shall be held no earlier than fifteen (15) days and no later than sixty (60) days after the Publication Date.

(xv) “Preliminary Challenge” means an emailed notification by an Interested Party to PSE, during the Review Period, of any specific challenge to the Annual Update.

(xvi) “Projected Annual Transmission Revenue Requirement” (“Projected ATRR”) means the Actual ATRR for the prior Calendar Year as adjusted to reflect the True-Up Adjustment and the projected transmission plant capital additions through the end of the current Calendar Year.

(xvii) “Protocols” means the Formula Rate Implementation Protocols shown in Attachment H-2 of this Tariff.

(xiii) “Publication Date” means the date of the informational filing at the FERC and posting on the OASIS website (in a workable Excel format with cell formulas intact) of the Annual Update. The Publication Date shall be no later than June 1<sup>st</sup>, provided, however, that if June 1<sup>st</sup> should fall on a weekend or a holiday recognized by the FERC, then the posting or filing shall be due no later than the next business day, and the Publication Date shall correspond to the actual posting or filing date.

(xix) “Rate Year” means June 1<sup>st</sup> of a given Calendar Year through May 31<sup>th</sup> of the succeeding Calendar Year.

(xx) “Review Period” means the period of one hundred eighty (180) days following the Publication Date during which an Interested Party may review the Annual Update calculations and make a Preliminary Challenge. The Review Period may be extended only as provided in Section 3(a)(ii) or Section 3(a)(iii) of these Protocols.

(xxi) “True-Up Adjustment” means the difference between the transmission charges based on the Projected ATRRs for a given Calendar Year and such charges based on the Actual ATRR for that Calendar Year, plus interest, as calculated on Attachments 6, 6A and 6B of the Formula using the interest rates specified in 18 C.F.R. § 35.19a.

(xxii) “12 CP Peak” means the 12 CP peak utilized for the calculation of the unit charges for Point-to-Point Transmission Service, Network Integration Transmission Service and Ancillary Service Schedule 1 pursuant to the Formula Rate.

## **Section 2     Annual Update Process**

(a) The Projected ATRR and the associated transmission service and Ancillary Service Schedule 1 rates derived pursuant to the Formula Rate each year shall be applicable to services during the upcoming Rate Year.

(b) On or before the Publication Date of each year, as part of the Annual Update Process, PSE shall:

- (i) Calculate the Actual ATRR for the preceding Calendar Year;
- (ii) Calculate the Projected ATRR, reflecting the True-Up Adjustment, and the resultant transmission service and Ancillary Service Schedule 1 rates for the upcoming Rate Year;
- (iii) Post (in a “workable” Excel file) the Annual Update on its Internet OASIS website <http://www.oatioasis.com/PSEI> (or successor website address), as well as the date, time, or call-in information for the Open Meeting;
- (iv) Submit the Annual Update to the Commission as an informational filing;
- (v) Notify each Transmission Customer or other party reasonably likely to have standing in a review of formula rates, including each party to FERC Docket No. ER12-778-000 et al., of the Annual Update posting at the most recent e-mail contact address provided to PSE; and
- (vi) Provide a narrative or worksheet, whichever is appropriate, that explains the source and derivation of any data affecting the formula rate that is not drawn directly from PSE’s FERC Form 1.

(c) The Annual Update for the Rate Year:

- (i) Shall provide notice and a detailed explanation of Material Accounting Changes;
- (ii) Shall be subject to challenge and review in accordance with the procedures set forth in these Protocols; and
- (iii) Shall not seek to modify the Formula Rate and shall not be subject to challenge by anyone seeking to modify the Formula Rate (i.e., all such modifications/amendments to the Formula Rate shall require, as applicable, a Section 205 or Section 206 filing).

### **Section 3 Annual Review Procedures**

Each Annual Update shall be subject to the following Annual Review Procedures:

(a) Review Period

- (i) Interested Parties shall have up to one hundred fifty (150) days after the Publication Date (unless such period is extended pursuant to these Protocols) to serve reasonable Information Requests on PSE. Such Information Requests shall be limited to what is or may reasonably be necessary to determine:

- (A) That input data under the Formula Rate are accurate and properly recorded consistent with PSE's and the FERC's accounting policies, practices, procedures and directives as applicable;
- (B) That PSE has properly applied the Formula Rate;
- (C) The accuracy and the consistency with the Formula Rate of the data included in the Actual ATRR (including the True-Up Adjustment) under review;
- (D) The extent, effect(s), and reasonableness of Material Accounting Changes;
- (E) The prudence of the costs and expenditures included in the Actual ATRR under review;
- (F) The reasonableness of projected data included in the Projected ATRR for the upcoming Rate Year, as filed on the Publication Date;
- (G) The reasonableness of any new or revised cost allocation methodologies, including inter-corporate cost allocation methodologies; and
- (H) The proper computation of the 12 CP Peak.

Such Information Requests shall not solicit information that relates solely to inputs that are stated values or cost allocation methods that have been approved or accepted by any final order by the FERC pursuant to Sections 205, 206, or 306 of the Federal Power Act ("FPA") with respect to PSE (including an order approving a settlement), except that such Information Requests shall be permitted if they seek to determine if there have been materially changed circumstances and to confirm consistency with the applicable order (and associated settlement, if any).

- (ii) PSE shall make a good faith effort to respond to Information Requests pertaining to the Annual Update within ten (10) business days of receipt of such requests. Notwithstanding anything to the contrary contained in these Protocols, with respect to any Information Requests received by PSE within the Discovery Period and for which PSE is unable to provide a response within ten (10) business days after the end of the Discovery Period, the Discovery Period shall be extended ten (10) business days beyond the date PSE has provided its response. If the Discovery Period is extended, the Review Period shall be extended so that it ends thirty (30) business days after completion of the Discovery Period. PSE shall provide copies of its responses to Information Requests to all Interested Parties that have notified PSE of their participation in the Annual Review Procedures and have provided PSE with a current email address.
- (iii) To the extent PSE and any Interested Party are unable to resolve disputes related to Information Requests submitted in accordance with these Protocols, PSE or the Interested Party may petition the FERC to appoint an Administrative Law Judge



as a discovery master. The discovery master shall have the power to issue binding orders to resolve discovery disputes, and compel the production of discovery, as appropriate, in accordance with these Protocols, and, if deemed appropriate, to extend the Discovery Period and Review Period to permit completion of the discovery process.

- (iv) All information produced pursuant to these Protocols may be included in any Preliminary or Formal Challenge, in any other proceeding concerning the Formula Rate initiated at the FERC pursuant to the FPA, or in any proceeding before the U.S. Court of Appeals to review a FERC decision involving the Formula Rate. PSE may, however, designate any response to an Information Request as confidential if the information conveyed is not publicly available and if PSE in good faith believes the information should be treated as privileged and confidential. Interested Parties' representatives shall treat such response as confidential in connection with any of the proceedings discussed in this Section; provided, however, that when so used, such response shall initially be filed under seal (unless the claim of confidentiality is waived by PSE), subject to a later determination by the presiding authority that the material is, in whole or part, not entitled to confidential treatment.

(b) Challenges and Resolution of Challenges

- (i) Any Interested Party shall have the duration of the Review Period (as such Review Period may be extended pursuant to these Protocols), to review the calculations and to submit a Preliminary Challenge.
- (ii) PSE shall provide copies of all Preliminary Challenges, and any written response by PSE to a Preliminary Challenge, to all Interested Parties that have notified PSE of their participation in the Annual Review Procedures, and have provided PSE with a current email address. PSE and any Interested Party raising a Preliminary Challenge shall attempt in good faith to resolve the Preliminary Challenge in a timely manner.
- (iii) An Interested Party shall make a good faith effort to raise all issues in a Preliminary Challenge; however, the failure to raise an issue in a Preliminary Challenge shall not act as a bar to raising the issue in a Formal Challenge nor participate in any FERC-initiated proceeding to consider the annual update.
- (iv) Notwithstanding whether a Preliminary Challenge has been made, an Interested Party shall have up to sixty (60) days after the close of the Review Period to make a Formal Challenge with the FERC, which shall be served on PSE by electronic service on the date of such filing; provided, however, if the FERC initiates a proceeding to consider the Annual Update, an Interested Party may raise therein any challenges without regard to the timeframes specified herein. Nothing in this paragraph shall alter the rights of any party to file a complaint under section 206 of the FPA regarding PSE's Formula Rate.

- (v) Any response by PSE to a Formal Challenge must be submitted to the FERC within thirty (30) days following the date of the filing of the Formal Challenge and shall be served on the filing party(ies) by electronic service on the date of such filing.
  - (vi) In any proceeding on a Formal Challenge, or proceeding initiated *sua sponte* by the FERC challenging an Annual Update or a Material Accounting Change, PSE shall bear the burden of proof with respect to the Annual Update and/or the Material Accounting Change. Nothing herein is intended to alter the burdens applied by the FERC with respect to prudence challenges.
  - (vii) Failure to make a Preliminary Challenge or Formal Challenge as to any Annual Update shall not act as a bar to a Preliminary Challenge or Formal Challenge related to the same issue in any subsequent Annual Update.
- (c) Challenges to Material Accounting Changes
- (i) Preliminary Challenges or Formal Challenges related to Material Accounting Changes are not intended to serve as a means of pursuing changes to the Formula Rate.
  - (ii) Failure to make a Preliminary Challenge with respect to a Material Accounting Change to an Annual Update shall not act as a bar with respect to making a Formal Challenge regarding the Material Accounting Change to that Annual Update. Nor shall failure to make a Preliminary Challenge or Formal Challenge with respect to a Material Accounting Change as to any Annual Update act as a bar to a Preliminary Challenge or Formal Challenge related to that Material Accounting Change in any subsequent Annual Update to the extent such Material Accounting Change affects the subsequent Annual Update.
  - (iii) Preliminary Challenges or Formal Challenges related to Material Accounting Changes shall be subject to the procedures and limitations in Section 3(b). It is recognized that resolution of Formal Challenges concerning Material Accounting Changes may necessitate adjustments to the Formula input data for the applicable Annual Update or changes to the Formula to achieve a just and reasonable end result consistent with the intent of the Formula.

#### **Section 4      Changes Pursuant to Annual Update Process**

Any changes to the data inputs, including but not limited to revisions to PSE's FERC Form No. 1, or as the result of any FERC proceeding to consider the Annual Update, or as a result of the procedures set forth herein, shall be incorporated into the Formula and into the charges produced by the Formula (with interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual Update for the next effective Rate Year. This reconciliation mechanism shall apply in lieu of mid-rate Year adjustments and any associated refunds or surcharges. However, actual refunds or surcharges (with interest determined in accordance with 18 C.F.R. § 35.19a) shall be made, as appropriate, in the event that the Formula Rate is replaced by a stated rate for PSE.

## **Section 5      Changes to the Formula Rate**

(a) A change to the Formula Rate or a stated value in the Formula may not be made absent a filing with the Commission pursuant to FPA Section 205 or 206. Any FPA Section 205 or 206 filing may be limited to one or more specific issues, but the party proposing the change or changes to the Formula Rate shall bear the burden of proof as to the justness and reasonableness of the proposed change(s) and any related components of the Formula Rate. Parties that intervene in the resulting FERC proceeding shall have the right to raise issues with respect to the entire Formula Rate. However, PSE may, at its discretion and at a time of its choosing, make a limited filing pursuant to Section 205:

- (i) to change its FERC-approved amortization/depreciation rates, and/or add new amortization/depreciation rates, or file changes to Post-Retirement Benefits Other Than Pensions (PBOP). The sole issue in any such limited Section 205 filing shall be whether such proposed changes or recovery are just and reasonable, and shall not include other aspects of the Formula Rate. Changes in amortization/depreciation rates to track a state commission order shall become effective on the effective date of such state-approved depreciation rates; and
- (ii) to update the references in the Formula to reflect any FERC changes to the format and/or content of the FERC Form No.1 or the USofA that affect the calculations set forth in the Formula, but do not affect the rates for transmission services or Ancillary Service Schedule 1 derived from the Annual Update. The references to the FERC Form No. 1 pages, columns, and line numbers in Attachment H-1 were derived from PSE's 2010 FERC Form No. 1. Such references are expected to change periodically, and thus the references in Attachment H-1 shall be automatically amended to reflect any changes made by the FERC that cause changes in the pagination, columns, and line numbers of such FERC Form No. 1 data, and PSE shall make a limited Section 205 filing to revise such page, column, and line number references in Appendix A to reflect such changes in the FERC Form No. 1 data. The sole issue in any such limited Section 205 filing shall be whether such proposed changes are just and reasonable and shall not include other aspects of the Formula Rate.

(b) In any proceeding initiated to address a Preliminary or Formal Challenge or *sua sponte* by the FERC, a party or parties (other than PSE) seeking to modify the Formula in any respect, other than modifications to correct for the effects of a Material Accounting Change, shall bear the applicable burdens of a complainant under Section 206; provided, however, that in any such proceeding, in determining whether modification of the Formula to reflect a Material Accounting Change is just and reasonable, PSE shall bear the burden of proof.

(c) Nothing in these Protocols shall be deemed to limit in any way (i) the right of PSE to file unilaterally, pursuant to Section 205 of the FPA and the regulations thereunder, to change the Formula Rate or any of its inputs (including, but not limited to, ROE, depreciation rates, and transmission incentive rate treatment) or to replace the Formula Rate with a stated rate, or (ii) the right of any other party to challenge inputs to, or the implementation of, or to request changes to, the Formula Rate pursuant to Section 206, or any other applicable provision, of the FPA and the

regulations thereunder.

## **Section 6 Ring-Fencing Requirements**

PSE agrees to abide by certain ring-fencing requirements imposed by the WUTC as conditions to the WUTC's approval of PSE's 2009 merger. These include:

(a) PSE's Washington Utilities and Transportation Commission ("WUTC") Corporate and Affiliated Interest Cost Allocation Methodology (CTM-8).

**Guideline:** The purpose of this guideline is that PSE customers must be held harmless from the liabilities of any non-regulatory activities of PSE, Puget Holdings or other Puget Holdings' affiliated entities. The following guidelines are intended to establish procedures for allocating costs that are corporate in nature among and between PSE, Puget Holdings and its affiliates. Allocations will be based upon direct charging or an allocation using causal relationship. Any related transactions will be charged on a monthly basis to the appropriate company.

When utility personnel provide service to Puget Holdings, affiliates or subsidiaries, utility personnel will directly charge their time. In addition to their direct labor, labor overheads will be applied along with a facility overhead. Labor overheads will include the following overhead rates that are applied on direct labor: benefits, payroll tax, PTO, and incentives. Facility overhead includes an allocation for building rental, telephone service, purchasing support, payroll support, and accounting support that is applied on direct labor.

For cost allocation purposes herein, factors used for causal relationships will be determined as of December 31 of each year. Below are general guidelines for determining cost allocation of corporate related costs:

Function	Basis of Allocation
Salaries/Employee Expenses	Direct Charging
PSE independent Directors' Fees/Expenses	Direct Charging
Reimbursements of expenses of non-independent directors of PSE	Puget Holdings
Directors' & Officers Liability Insurance	Direct or Causal
SEC and Other Regulatory Filing Fees	Direct or Causal
Audit Fees	Direct Charging
Consultants and contract labor costs	Direct Charging
Line of Credit Fees and interest payments	Direct Charging
Legal Fees	Direct Charging
Impacts related to FAS-141R business	Direct Charging
Combination accounting requirements	
Rating Agency Fees	Direct Charging

(b) WUTC Transaction Commitments with Clarification Commissions (WUTC Docket U-072375), Third Condition through Tenth Condition and Thirteenth Condition through Fifteenth Condition.

### **Third Condition**

8. Within ninety (90) days of the Proposed Transaction closing, PSE and Puget Holdings will file a non-consolidation opinion with the Commission which concludes, subject to customary assumptions and exceptions, that the ring fencing provisions are sufficient that a bankruptcy court would not order the substantive consolidation of the assets and liabilities of PSE with those of Puget Energy or its affiliates or subsidiaries.

*Commission Clarification:* Puget Holdings and Puget Energy must file an affidavit with the Commission stating that neither Puget Holdings nor Puget Energy, nor any of their subsidiaries, will seek to include PSE in a bankruptcy without the unanimous consent of PSE's board of directors including PSE's independent director.

### **Fourth Condition**

9. PSE will (i) maintain separate books and records; (ii) agree to prohibitions against loans or pledges of utility assets to Puget Energy or Puget Holdings without Commission approval; and (iii) generally hold PSE customers harmless from any business and financial risk exposures associated with Puget Energy, Puget Holdings and its other affiliates.

*Commission Clarification:* Commitment 9(ii) is modified to read "agree to prohibitions against loans or pledges of utility assets to Puget Energy, Puget Holdings, or any of their subsidiaries or affiliates, without Commission approval."

*Commission Clarification:* Pursuant to Commitment 9(iii), Puget Energy and Puget Holdings will file with the Commission, prior to closing of the transaction, a form of notice to prospective lenders describing the ring-fencing provisions included in Commitments 8, 9, 10, 24, 35, 36, 37, 39, and 40 stating that these provisions provide no recourse to PSE assets as collateral or security for debt issued by Puget Energy or Puget Holding. This notice also must include a statement that any change in control of Puget Holdings or change in ownership of ten percent or more of Puget Holdings, including lenders taking equity interest, requires Commission approval, as specified in the Commission clarification of Commitment 26. This notice must be provided to prospective lenders:

### **Fifth Condition**

16. At least one director of PSE will be an Independent Director who is not a member, stockholder, director (except as such Independent Director of PSE), officer, or employee of Puget Holdings or its affiliates. The organizational documents for PSE will not permit PSE, without the unanimous consent of all its directors including the Independent Director; to consent to the institution of bankruptcy proceedings or the inclusion of PSE in bankruptcy proceedings. The Chief Executive Officer of PSE will be a member of the board of PSE.

*Commission Clarification:* The Puget Holdings LLC governance will be on terms substantively the same as presented in the Draft LLC Agreement Term Sheet presented at hearing (Exhibit 63HC), including an Independent Manager as clarified by Exhibit 408. The Puget Energy Inc., Puget Intermediate Inc. and Equico LLC governance agreements will also include an independent manager as clarified by Exhibits 409 and 410. The Puget Holdings, The Puget Energy Inc., Puget Intermediate Inc. and Equico LLC governance agreements will also include an independent manager as clarified by Exhibits 409 and 410. The Puget Holdings, Puget Intermediate, Equico, and Puget Energy governance agreements will be modified, as necessary, to require, in addition to supermajority member approval, supermajority Board approval, including the affirmative vote of the Independent Manager, of matters identified in Appendix C to the Draft LLC Agreement Term Sheet, subparts (D), (E) and (F). Puget Holdings LLC will file a copy of its final Corporate Bylaws with the Commission prior to closing of the transaction.

### **Sixth Condition**

20. Affiliate Transactions, Cross-Subsidization: PSE agrees (i) to file cost allocation methodologies used to allocate Puget Energy or Puget Holdings related costs to PSE; (ii) to propose methods and standards for treatment of affiliate transactions; and (iii) that there will be no cross-subsidization by PSE customers of unregulated activities.

*Commission Clarification:* The cost-allocation methodology filed pursuant to Commitment 20 will be a generic methodology that does not require Commission approval prior to its being proposed for specific application in a general rate case or other proceeding affecting rates.

### **Seventh Condition**

21. Transaction Costs: PSE and Puget Holdings agree that there will be no recovery of legal and financial advisory fees associated with the Proposed Transaction in rates and no recovery of the acquisition premium in rates.

*Commission Clarification.* The scope of transaction costs in Commitment 21 includes any compensation of senior executives tied to change of control

### **Eighth Condition**

24. Puget Holdings and PSE will not advocate for a higher cost of debt or equity capital as compared to what PSE's cost of debt or equity capital would have been absent Puget Holdings' ownership.

*Commission Clarification:* For future ratemaking purposes Commitments 24, 26(a) and 9 (iii) are clarified as follows:

- (a) Determination of PSE's debt and equity costs will be no higher than such costs would have been assuming PSE's credit ratings by S&P and Moody's in effect on the day before the transaction closes and applying those credit ratings to then-current debt and

- equity markets, unless PSE proves that a lower credit rating is caused by circumstances or developments not the result of financial risks or other characteristics of the transaction.
- (b) PSE bears the burden to prove prudent in a future general rate case any prepayment premium or increased cost of debt associated with existing PSE debt retired, repaid, or replaced as a part of the transaction.
  - (c) Determination of the allowed return on equity in future general rate cases will include selection and use of one or more proxy group(s) of companies engaged in businesses substantially similar to PSE, without any limitation related to PSE's ownership structure.

### **Ninth Condition**

26. In furtherance of Commitment 9:

- (a) Puget Holdings and PSE commit that PSE's customers will be held harmless from the liabilities of any non-regulated activity of PSE or Puget Holdings. In any proceeding before the Commission involving rates of PSE, the fair rate of return for PSE will be determined without regard to any adverse consequences that are demonstrated to be attributable to the non-regulated activities. Any new non-regulated subsidiary will be established as a subsidiary of either Puget Holdings, Puget Intermediate Holdings Inc., or Puget Energy rather than as a subsidiary of PSE. Measures providing for separate financial and accounting treatment will be established for each non-regulated activity.
- (b) Puget Holdings and PSE will notify the Commission subsequent to Puget Holdings' board approval and as soon as practicable following any public announcement of: (1) any acquisition of a regulated or unregulated business representing 5 percent or more of the capitalization of Puget Holdings; or (2) the change in effective control or acquisition of any material part of PSE by any other firm, whether by merger, combination, transfer of stock or assets.
- (c) Neither PSE nor Puget Holdings will asset in any future proceedings that, by virtue of the Proposed Transaction and the resulting corporate structure, the Commission is without jurisdiction over any transaction that results in a change of control of PSE.

*Commission Clarification:* As regards Commitments 26(b), 26(c) and 28(c), within 14 days following the notice, required by Commitment 26(b) PSE and Puget Holdings will seek Commission approval of any sale or transfer of: (1) any part of PSE that will give a new or existing member of Puget Holdings effective control of PSE, either in terms of ownership shares, or in terms of voting power under the then-applicable Puget Holdings LLC Agreement, or; (2) any material part of PSE. The term "material part of PSE" means any sale or transfer of stock representing ten percent or more-of the equity ownership of Puget Holdings or PSE. (Exhibit 419) No sale or transfer subject to Commitment 26(b) may close prior to approval by the Commission.

## **Tenth Condition**

27. In furtherance of Commitment 19:

(a) PSE and Puget Holdings will maintain the necessary books and records so as to provide an audit trail for all corporate, affiliate, or subsidiary transactions with PSE, or that result in costs that may be allocable to PSE.

(b) PSE will provide Commission Staff and Public Counsel access to books and records (including those of Puget Holdings or any affiliate or subsidiary companies) required to be accessed to verify or examine transactions with PSE, or that result in costs that may be allocable to PSE. The Proposed Transaction will not result in reduced access to the necessary books and records that relate to transactions with PSE, or that result in costs that may be allocable to PSE, and the Proposed Transaction and resulting corporate structure will not be used by PSE as a basis to oppose requests for such books and records made by the Commission or by Commission Staff or Public Counsel.

(c) Nothing in the Proposed Transaction will limit or affect the Commission's rights with respect to inspection of accounts, books, papers and documents of PSE pursuant to RCW 80.04.070 or RCW 80.16.030. Nothing in the Proposed Transaction will limit or affect the Commission's rights with respect to inspection of accounts, books, papers and documents of Puget Holdings pursuant to RCW 80.16.030; provided, that such right to inspection shall be limited to those accounts, books, papers and documents of Puget Holdings that pertain to transactions affecting PSE's regulated utility operations. •

(d) Puget Holdings and PSE will provide the Commission with access to written information provided by and to credit rating agencies that pertains to PSE. Puget Holdings and each of its members will also provide the Commission with access to written information provided by and to credit rating agencies that pertains to Puget Holdings' subsidiaries to the extent such information may potentially affect PSE.

*Commission Clarification:* Commitment 27(b) includes reports Puget Holdings produces for its investors, to the extent those reports are pertinent to PSE.

## **Thirteenth Condition**

36. PSE shall not be permitted to declare or make any PSE distribution unless, on the date of such PSE distribution, the PSE common equity ratio after giving effect to such PSE distribution is not less than 44%, except to the extent a lower equity ratio is established for ratemaking purposes by the Commission.

37. Puget Energy may not declare or make a PE distribution, unless on the date of such PE distribution, the ratio of consolidated EBITDA to consolidated interest expense for the most recently ended four fiscal quarter period prior to such date is equal or greater than 2.00 to 1.00.

40. PSE shall not declare or make any distribution, unless, on the date of such distribution,



either:

(a) The ratio of PSE EBITDA to PSE interest expense for the most recently ended four fiscal quarter period prior to such date is equal or greater than 3.00 to 1.00; or

(b) PSE's corporate credit/issuer rating is at least BBB- (or its then equivalent) with S&P and Baa3 (or its then equivalent) with Moody's. However, if PSE satisfies part a) above but its corporate credit/issuer rating is downgraded to a level below BBB- (or its then equivalent) with Standard & Poor's Ratings Group or Baa3 (or its then equivalent) with Moody's Investors Service, Inc., then PSE shall provide notice to the Commission of such downgrade within two business days of PSE's receipt of notice of such downgrade. Following such downgrade, distributions by PSE to Puget Energy shall be limited to an amount sufficient (i) to service debt at Puget Energy, and (ii) to satisfy financial covenants in the credit facilities of Puget Energy, and distributions by Puget Energy to Equico shall cease. If PSE seeks to make any distribution to Puget Energy greater than such amount and Puget Energy seeks to make any distribution to Equico whatsoever, PSE and Puget Energy shall within forty-five calendar days of such downgrade (or earlier if PSE anticipates that such a downgrade may be forth-coming) file a petition with the Commission to show cause why (i) PSE should be permitted to make any distribution to Puget Energy in excess of such amount and (ii) Puget Energy should be permitted to make any distribution to Equico. It is the expectation of the Joint Parties that the Commission within sixty (60) days after PSE's and Puget Energy's filing of such petition will issue an order granting or denying such petition. In considering such petition, due consideration shall be given to the financial performance and credit rating of PSE and to whether PSE has, and is expected to achieve, financial metrics that fall within the ranges used by Standard & Poor's Ratings Group and Moody's Investors Service, Inc. for investment grade-rated utility companies and any changes in such ranges since the date of closing of the Proposed Transaction; provided that nothing in this commitment shall prohibit the parties from advancing any arguments regarding factors the Commission should consider. If PSE's corporate credit/issuer rating is subsequently upgraded to BBB- (or its then equivalent) or above with Standard & Poor's Ratings Group or Baa3 (or its then equivalent) or above with Moody's Investors Service, Inc., then PSE shall provide notice to the Commission of such upgrade within two business days of PSE's receipt of notice of such upgrade, and neither PSE nor Puget Energy shall be subject to any dividend restriction pursuant to this Commitment as of the date PSE provides such notice to the Commission.

*Commission Clarification:* Commitments 36, 37 and 40, which limit upward dividends or distributions from PSE to Puget Energy and from Puget Energy to Equico, are clarified as follows:

(a) If the ratio of PSE EBITDA to PSE interest expense is equal to or greater than 3.0 and PSE's corporate credit/issuer rating with S&P and Moody's (or their then equivalents) is investment grade, distributions from PSE to Puget Energy are not limited so long as PSE's equity ratio is equal to or greater than 44 percent [Commitment #36] and distributions from Puget Energy to Equico are not limited so long as consolidated PSE/Puget Energy EBITDA to consolidated PSE/Puget Energy interest expense is equal to or greater than 2.0. [Commitment #37]

(b) If the ratio of PSE EBIDTA to PSE interest expense is less than 3.0, but PSE's corporate credit/issuer rating with S&P and Moody's (or their then equivalents) is investment grade, distributions from PSE to Puget Energy are not limited so long as PSE's equity ratio is equal to or greater than 44 percent [Commitment #36] and distributions from Puget Energy to Equico are not limited so long as consolidated, PSE/Puget Energy EBITDA to consolidated PSE/Puget Energy interest expense is equal to or greater than 2.0. [Commitment•#37]

(c) If the ratio of PSE EBIDTA to PSE interest expense is equal to or greater than 3.0, but PSE's corporate credit/issuer rating with either S&P or Moody's (or their then equivalents) is not investment grade, distributions from PSE to Puget Energy are limited as specified in Commitments 36 and 40, unless allowed by specific Commission approval. No distributions are allowed from Puget Energy to Equico.

(d) If the ratio of PSE EBIDTA to PSE interest expense is less than 3.0 and PSE's corporate credit/issuer rating with either S&P or Moody's (or their then equivalents) is not investment grade, no distributors are allowed from PSE to Puget Energy and no distributions are allowed from Puget Energy to Equico.

#### **Fourteenth Condition**

41. Joint Applicants commit that (i) the board. of directors of PSE will include at least three directors who are residents of the region, one of whom shall be the chief executive officer of PSE, and (ii) the board of directors of Puget Energy will include at least two directors who are residents of the region, one of whom shall be the chief executive officer of PSE.

*Commission Clarification:* The term "regional" as it applies to Commitment 41 means Washington State.

#### **Fifteenth Condition**

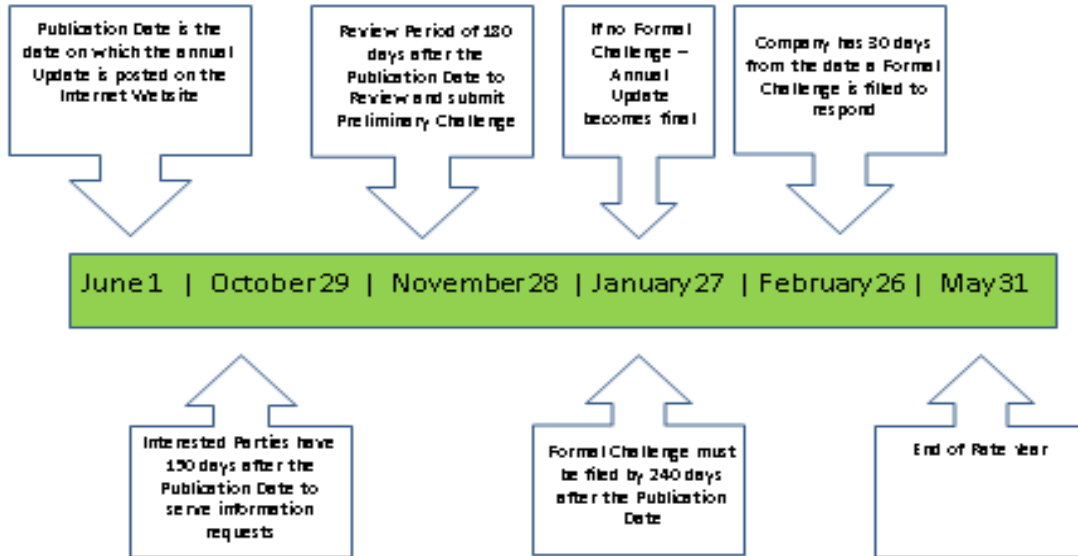
43. PSE will to the extent practical, comply with the rules, applicable to a registrant under NYSE rules. Please see Exhibit No. 81 (EMM-11) at pages 1-4 for an analysis of PSE's present reporting and governance obligations under NYSE Corporate Governance Standards. Such analysis identifies the applicable NYSE rule, describes the current requirement, describes the post-closing requirement, and sets forth PSE's post-closing commitment with respect to each requirement in the event a current requirement is not a continuing obligation. Such analysis also details the requirements of the NYSE with respect to the following:

- (a) annual report availability,
- (b) interim financial statements,
- (c) independent directors,
- (d) director executive sessions,
- (e) communication with non-management directors,
- (f) nominating and governance committee matters,
- (g) compensation committee matters,
- (h) the audit committee and committee membership,

- (i) the internal audit function,
- (j) corporate governance guidelines,
- (k) disclosure of corporate governance guidelines,
- (l) code of business conduct and ethics, and
- (m) officer certification.

*Commission Clarification:* Puget Energy and PSE will each comply with applicable NYSE rules and the requirements of the Sarbanes-Oxley Act as specified in Exhibit 422, Attachment A, column entitled "post-closing commitment." Unless the Commission approves otherwise, Puget Energy and PSE will comply with any new NYSE rules, or rules not covered in Exhibit 422 (Attachment C to this Order). The independent managers or directors on the PSE, Puget Energy, and Puget Holdings boards will be members of the nominating/governance, compensation, and audit committees and their affirmative vote will be required on all matters subject to vote.

## Transmission Formula Rate Update Schedule



**ATTACHMENT I**  
**Index Of Network Integration Transmission Service Customers**

See Transmission Provider's Electric Quarterly Report at the following Internet address:  
<<http://www.ferc.gov/docs-filing/eqr/data.asp>>.

**ATTACHMENT J**  
**Procedures for Addressing Parallel Flows**

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

**ATTACHMENT J-1**

**Form of Service Agreement For  
Retail Network Integration Transmission Service**

This NETWORK INTEGRATION SERVICE AGREEMENT made and entered into this \_\_\_ day of \_\_\_\_\_, 2001, by and between Puget Sound Energy (“Transmission Provider”) and Retail Customer Participating in a Retail Wheeling Service Program in the State of Washington pursuant to Retail Rate Schedule 449 and Retail Rate Schedule 448 (“Transmission Customer”), which Customer hereinafter may be referred to individually as “Party” or collectively as “Parties.”

- 1.0 The Transmission Customer has been determined by the Transmission Provider to have a valid request for Network Integration Transmission Service under the Transmission Provider’s Open Access Transmission Tariff (“Tariff”).
- 2.0 Service under this Service Agreement shall (i) commence at 0000 hours on \_\_\_\_\_; and shall terminate at 2400 hours on \_\_\_\_\_, unless sooner terminated pursuant to the Schedule 449 and Schedule 449 Service Agreement or Schedule 448 and Schedule 448 Service Agreement.
- 3.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of the Tariff, the Retail Network Operating Agreement, and this Service Agreement, which includes Schedule 449 and Schedule 449 Service Agreement and Schedule 448 and Schedule 448 Service Agreement. These Documents are all incorporated herein and made a part of this Service Agreement. In the event of any conflict between this Service Agreement (including Attachments) and the Tariff, the Tariff shall govern.
- 4.0 Transmission Customer shall obtain Energy Imbalance Service For Retail Customers, if applicable, pursuant to Schedule 4R of the Tariff.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider

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

Transmission Customer

\_\_\_\_\_

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

- 6.0 Nothing in this Service Agreement limits the right of Transmission Provider to unilaterally seek modification of the rates, terms, and conditions of the Tariff upon approval by the Commission or the right of the Transmission Customer to intervene and protest any rates, terms, and conditions proposed by Transmission Provider except as otherwise limited by the terms of Stipulation of Settlement in WUTC Docket No. UE-001952, dated March 9, 2001.
- 7.0 This Service Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns, but shall not be assigned by any Party, except to (a) successors to all or substantially all of the electric properties and assets of such Party, (b) any successor entity to or lessee of Transmission Customer required or permitted to take service under Schedule 449 and Schedule 448.

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

Transmission Customer

Transmission Provider

\_\_\_\_\_  
Name (Printed)

\_\_\_\_\_  
Name (Printed)

\_\_\_\_\_  
Name (Signed)

\_\_\_\_\_  
Name (Signed)

\_\_\_\_\_  
Company

\_\_\_\_\_  
Company

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



# Attachment K

## Transmission Planning Process

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Attachment K Exhibits:

Exhibit A—Cost Allocation Task Force Charter

Exhibit B—Enrolled Parties Planning Committee Charter

Exhibit C—Enrolled Parties and States Committee Charter

Exhibit D—Form of Non-Enrolled Developer Agreement

## **Part A. Definitions**

### **Definitions**

The following terms have the following definitions when used in this Attachment K. Other initially capitalized terms used in this Attachment K shall have the meanings set forth in the OATT.

#### **1.1 Additional Regional Costs from Interregional Cost Allocation**

“Additional Regional Costs from Interregional Cost Allocation” shall have the meaning set forth in Section 0 sub-sections (iii) and (v) of this Attachment K.

#### **1.2 Alternative Project**

“Alternative Project” refers to any Sponsored Projects or ITPs (including those carried over from a prior Regional Transmission Plan and projects submitted by Merchant Transmission Developers), and unsponsored projects (a concept that includes Non-Transmission Alternatives and Conceptual Solutions), if any, including those identified by the Enrolled Parties Planning Committee.

#### **1.3 Annual Interregional Coordination Meeting**

“Annual Interregional Coordination Meeting” means the annual meeting of the NorthernGrid Enrolled Region and other Planning Regions as set forth in Section 0 of this Attachment K.

#### **1.4 Annual Interregional Information**

“Annual Interregional Information” shall have the meaning set forth in Section 0 of this Attachment K.

#### **1.5 Annualized Cost**

“Annualized Cost” means one of the following, as determined by the Cost Allocation Task Force: the Annualized Costs of a project that is not an ITP pursuant to Part C, Section 0 of this Attachment K; or the Annualized Cost of an ITP pursuant to Part C, Section 0 of this Attachment K.

#### **1.6 Assigned Regional Costs from Interregional Cost Allocation**

“Assigned Regional Costs from Interregional Cost Allocation” means, with respect to an ITP, the NorthernGrid Enrolled Region’s assigned *pro rata* share of the projected costs of such ITP calculated pursuant to Section 0 of this Attachment K.

#### **1.7 Baseline Projects of Enrolled Parties**

“Baseline Projects of Enrolled Parties” means the transmission projects included in the Enrolled Parties’ Local Transmission Plans plus those projects included in the prior Regional Transmission



Plan that will be reevaluated (unless the Enrolled Parties Planning Committee has received or is aware that a project included in the prior Regional Transmission Plan has been cancelled or replaced, in which case the cancelled or replaced project will not be considered). Baseline Projects of Enrolled Parties do not include Committed Projects.

### **1.8 Benefit**

“Benefit” means the benefits identified in Section 0 of this Attachment K that are calculated for an Enrolled Party associated with an Eligible Cost Allocation Project.

### **1.9 Benefit-to-Cost Ratio**

“Benefit-to-Cost Ratio” means the ratio established in Section 0 of this Attachment K.

### **1.10 Commission**

“Commission” means the Federal Energy Regulatory Commission or any successor entity.

### **1.11 Committed Project**

“Committed Project” means a Sponsored Project or a local project for which the developer of such project has obtained substantially all federal, county and state permits, required for the development of the project.

### **1.12 Conceptual Solutions**

“Conceptual Solutions” means projects or concepts that are developed from data or information provided in the Planning Cycle pursuant to Section 0 and that may be proposed pursuant to Section 0 of this Attachment K.

### **1.13 Confidential Information**

“Confidential Information” means all information, regardless of the manner in which it is furnished, marked as “Confidential Information” at the time of its furnishing; *provided that* Confidential Information shall not include information: (i) in the public domain or generally available or known to the public; (ii) disclosed to a recipient by a Person who had a legal right to do so; (iii) independently developed by the receiving party or known to such party prior to its disclosure to Transmission Provider in connection with its local transmission planning process, or to NorthernGrid in connection with the regional transmission planning process; (iv) normally disclosed by entities in the Western Interconnection without limitation; (v) disclosed in aggregate form where specific identifying information is unidentifiable; or (vi) required to be disclosed by subpoena, law, or other directive of a court, administrative agency, or arbitration panel.

### **1.14 Cost Allocation Methodology**

“Cost Allocation Methodology” means the Cost Allocation Methodology set out in Section 0 of this Attachment K.

### **1.15 Cost Allocation Project**

“Cost Allocation Project” means a project selected into the Regional Transmission Plan that received cost allocation.

### **1.16 Cost Allocation Task Force**

“Cost Allocation Task Force” means the Task Force that carries out cost allocation tasks assigned to such Task Force in this Attachment K according to the Cost Allocation Task Force Charter.

### **1.17 Cost Allocation Task Force Charter**

“Cost Allocation Task Force Charter” means the document attached as Exhibit A to this Attachment K that defines the manner in which the Cost Allocation Task Force carries out the tasks assigned to the Cost Allocation Task Force in this Attachment K.

### **1.18 Critical Energy Infrastructure Information**

“Critical Energy Infrastructure Information” or “CEII” means information as defined in 18 C.F.R. § 388.113(c), as may be amended from time to time.

### **1.19 Data Submittal Form**

Data Submittal Form means the form posted on the NorthernGrid Website that is to be used to submit data, including projects and project information for consideration and also updated project information, as discussed in Section 0 of this Attachment K.

### **1.20 Draft Final Regional Transmission Plan**

“Draft Final Regional Transmission Plan” means the version of the Regional Transmission Plan that is developed pursuant to this Attachment K and presented for stakeholder comment pursuant to Section 0 of this Attachment K.

### **1.21 Draft Regional Transmission Plan**

“Draft Regional Transmission Plan” means the version of the Regional Transmission Plan that is developed pursuant to this Attachment K and presented for stakeholder comment pursuant to Section 0 of this Attachment K.

### **1.22 Economic Study Request**

“Economic Study Request” shall mean a written request for a Local Economic Study or a Regional Economic Study, submitted by an Eligible Customer or stakeholder to the Transmission Provider or NorthernGrid, as may be applicable, in accordance with Section 0.a. of this Attachment K.

### **1.23 Eligible Cost Allocation Project**

“Eligible Cost Allocation Project” is defined in Section 0 of this Attachment K.

### **1.24 Enrolled Parties and States Committee**

“Enrolled Parties and States Committee” means the committee that carries out the tasks assigned to such committee in this Attachment K according to the Enrolled Parties and States Committee Charter.

### **1.25 Enrolled Parties and States Committee Charter**

“Enrolled Parties and States Committee Charter” means the document attached as Exhibit C to this Attachment K that defines the manner in which the Enrolled Parties and the official representative of each State’s government work together.

### **1.26 Enrolled Parties Planning Committee**

“Enrolled Parties Planning Committee” means the committee, comprised of Enrolled Parties and the co-chairs of the Enrolled Parties and States Committee, that carries out transmission planning tasks assigned to such committee in this Attachment K according to the Enrolled Parties Planning Committee Charter.

### **1.27 Enrolled Parties Planning Committee Charter**

“Enrolled Parties Planning Committee Charter” means the document attached as Exhibit B to this Attachment K that defines the manner in which the Enrolled Parties Planning Committee operates.

### **1.28 Enrolled Party (or Enrolled Parties)**

“Enrolled Party” means a Person that has satisfied the eligibility requirements set forth in Section 0 of this Attachment K and completed the process set forth in Section 0 of this Attachment K to become enrolled in NorthernGrid. “Enrolled Parties” is a collective reference to each Enrolled Party.

### **1.29 Enrolled Party Beneficiary**

“Enrolled Party Beneficiary” shall have the meaning set forth in Section 0 of this Attachment K. For avoidance of doubt, only an Enrolled Party may be identified as Enrolled Party Beneficiary. “Enrolled Party Beneficiaries” is a collective reference to each “Enrolled Party Beneficiary.”

### **1.30 Enrolled Party Need**

“Enrolled Party Need” means any need for transmission facilities of an Enrolled Party, including any such need that is driven by reliability requirements, addresses economic considerations, or is driven by Public Policy Requirements. To the extent a transmission need is satisfied by a Committed Project, it shall not be considered an Enrolled Party Need.

### **1.31 Enrolled Region**

“Enrolled Region” or “NorthernGrid Enrolled Region” is comprised of the existing or proposed transmission facilities of any Enrolled Party and any proposed transmission facilities for which a Non-Incumbent Transmission Developer has properly submitted a Request for Cost Allocation; *provided that* the Enrolled Region specifically does not include any existing or proposed transmission facilities in any Planning Region other than the Enrolled Region.

### **1.32 Estimated Cost**

“Estimated Cost” means the estimated total capital costs of the project, that are submitted pursuant to row K of the table found in Section O of this Attachment K, as they may be updated pursuant to either Section O or Section O of this Attachment K.

### **1.33 Funding Agreement**

“Funding Agreement” means the current version of the agreement among the Persons funding the activities of NorthernGrid that is required by Section O of this Attachment K. The Funding Agreement is available on the NorthernGrid Website.

### **1.34 Interregional Cost Allocation**

“Interregional Cost Allocation” means the assignment of ITP costs between or among Relevant Planning Regions as described in Section O of this Attachment K.

### **1.35 Interregional Transmission Project (“ITP”)**

“Interregional Transmission Project” or “ITP” means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is submitted into the regional transmission planning processes of all such Planning Regions.

### **1.36 Interregional Transmission Project Proponent**

“Interregional Transmission Project Proponent” or “ITP Proponent” means the entity that has signed a “Non-Enrolled Developer Agreement” in accordance with Section O of this Attachment K and is proposing or sponsoring an Interregional Transmission Project.

### **1.37 Local Economic Study**

“Local Economic Study” is defined in Section O (c) of this Attachment K.

### **1.38 Local Transmission Plan**

“Local Transmission Plan” means a transmission provider’s plan (depending upon context, the Transmission Provider or an Enrolled Party) that identifies planned new transmission facilities and facility replacements or upgrades for such transmission provider’s Transmission System.

### **1.39 Material Adverse Impact**

“Material Adverse Impact” means one or more significant and verifiable adverse impacts on any Neighboring System that needs to be mitigated if it reduces the transfer capability of existing transmission facilities.

### **1.40 Merchant Transmission Developer**

“Merchant Transmission Developer” means an entity that proposes a Merchant Transmission Project.

### **1.41 Merchant Transmission Project**

“Merchant Transmission Project” means an existing or planned project for which the costs are recovered or intended to be recovered through negotiated rates instead of cost-based rates and are therefore not eligible for cost allocation.

### **1.42 Mitigation Cost**

“Mitigation Cost” means the estimated total cost of the solution that is identified to mitigate the Material Adverse Impact on a Neighboring System caused by a project identified in the Regional Combination, under Section 0 of this Attachment K.

### **1.43 Neighboring System**

“Neighboring System” means an electrically interconnected transmission system.

### **1.44 Non-Enrolled Developer Agreement**

“Non-Enrolled Developer Agreement” means the current version of the form agreement attached hereto as Exhibit D and entered into with the Enrolled Parties; it is intended for use by Non-Incumbent Transmission Developers, ITP Proponents, and Merchant Transmission Developers, as required in Sections 4.2.3, 4.2.4, and 0 respectively, of this Attachment K. The Non-Enrolled Developer Agreement form is available on the NorthernGrid Website.

### **1.45 Non-Incumbent Transmission Developer**

“Non-Incumbent Transmission Developer” refers to two categories of transmission developer: (1) a transmission developer that does not have a retail distribution service territory or footprint; and (2) a public utility transmission provider that proposes a transmission project outside of its existing retail distribution service territory or footprint, where it is not the incumbent for purposes of that project.

### **1.46 Non-Jurisdictional Entity**

“Non-Jurisdictional Entity” means any entity that is within the definition of 16 U.S.C. § 824(f) (and hence is not a “public utility” under Part II of the Federal Power Act).

#### **1.47 Non-Transmission Alternative**

“Non-Transmission Alternative” means a solution that is proposed for consideration, in the planning process, as an alternative to transmission facilities.

#### **1.48 NorthernGrid**

“NorthernGrid” means the association described in Section 0 of this Attachment K.

#### **1.49 NorthernGrid Website**

“NorthernGrid Website” is [www.northerngrid.net](http://www.northerngrid.net).

#### **1.50 Person**

“Person” means an individual, corporation, cooperative corporation, municipal corporation, quasi-municipal corporation, joint operating entity, limited liability company, mutual association, partnership, limited partnership, limited liability partnership, association, joint stock company, trust, unincorporated organization, government entity or political subdivision thereof (including a federal power marketing administration), tribes, or organization recognized as a legal entity by law in the United States or Canada.

#### **1.51 Planning Cycle**

“Planning Cycle” means each two-year period beginning on January 1 of even numbered years and ending on December 31 of odd numbered years, undertaken by NorthernGrid, to create the Regional Transmission Plan.

#### **1.52 Planning Region**

“Planning Region” means each of the following transmission planning regions recognized by the Commission within the Western Interconnection: California Independent System Operator Corporation, NorthernGrid Enrolled Region, and WestConnect.

#### **1.53 Potential Cost Allocation Project**

“Potential Cost Allocation Project” is defined in Sections 0 and 0 of this Attachment K.

#### **1.54 Preliminary Cost Allocation Project**

“Preliminary Cost Allocation Project” is defined in Section 0 of this Attachment K.

#### **1.55 Project for Cost Allocation Consideration**

“Project for Cost Allocation Consideration” is defined in Section 0 of this Attachment K.

### **1.56 Project Sponsor**

“Project Sponsor” has the definition contained in Section 0 of this Attachment K.

### **1.57 Public Policy Requirement(s)**

“Public Policy Requirement” means any applicable public policy requirement established through one or more enacted statutes or regulations promulgated by a relevant local, state, or federal jurisdiction within the Enrolled Region. “Public Policy Requirements” is a collective reference to each “Public Policy Requirement.”

### **1.58 Qualified Developer**

“Qualified Developer” means a Person that has satisfied the requirements of Section 0 of this Attachment K and intends to develop the project for which a Request for Cost Allocation is to be submitted.

### **1.59 Qualified Sponsor**

“Qualified Sponsor” means a Project Sponsor that intends to submit a Request for Cost Allocation but does not intend to develop the project for which such Request for Cost Allocation is intended to be submitted.

### **1.60 Regional Benefits for Purposes of Interregional Cost Allocation**

“Regional Benefits for Purposes of Interregional Cost Allocation” means, with respect to an ITP, an amount equal to the sum of the aggregate Benefits calculated in accordance with the provisions of Sections 0, 0, and 0 of this Attachment K for any Enrolled Party Beneficiary(ies) of such ITP. For purposes of items (ii) and (c) of Section 0 of this Attachment K, Regional Benefits for Purposes of Interregional Cost Allocation is referred to as NorthernGrid’s regional benefits stated in dollars resulting from the ITP.

### **1.61 Regional Combination**

“Regional Combination” is defined in Section 0 of this Attachment K.

### **1.62 Regional Economic Study**

“Regional Economic Study” is defined in Section 0 (c) of this Attachment K.

### **1.63 Regional Planning Horizon**

“Regional Planning Horizon” means the ten-year planning horizon considered in a given Planning Cycle.

### **1.64 Regional Transmission Plan**

“Regional Transmission Plan” or “Plan” means the regional transmission plan developed during each biennial Planning Cycle pursuant to this Attachment K.

### **1.65 Relevant Planning Regions**

“Relevant Planning Regions” means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with Section 0 of this Attachment K, at which time it shall no longer be considered a Relevant Planning Region.

### **1.66 Request for Cost Allocation**

“Request for Cost Allocation” means a request for a Sponsored Project to be considered for cost allocation that is submitted in accordance with Section 0 of this Attachment K.

### **1.67 Sponsored Project**

“Sponsored Project” is defined in Section 0 of this Attachment K.

### **1.68 Study Scope**

“Study Scope” means the range of items to be considered in performing analysis and studies to develop the Regional Transmission Plan as described in Section 0 of this Attachment K.

### **1.69 Submittal Window**

“Submittal Window” begins on January 1 and runs through March 31 of even numbered years in each Planning Cycle.

### **1.70 Total Project Cost**

“Total Project Cost” means the sum of the Estimated Cost and the Mitigation Cost (as either may be adjusted by the Cost Allocation Task Force, using the WECC Transmission Capital Costs Calculator or some other recognized tool) of a project that is not an ITP or the Assigned Regional Costs from Interregional Cost Allocation of a project that is an ITP.

### **1.71 Total Regional Costs from Interregional Cost Allocation**

“Total Regional Costs from Interregional Cost Allocation” means, with respect to an ITP, the sum of the Assigned Regional Costs from Interregional Cost Allocation of such ITP plus any Additional Regional Costs from Interregional Cost Allocation of such ITP.



### **1.72 Transmission System**

“Transmission System” means, for purposes of this Attachment K only, the existing or proposed transmission facilities of a transmission provider (depending upon context, the Transmission Provider or an Enrolled Party); *provided that* Transmission System specifically excludes any existing or proposed transmission facilities in any Planning Region other than the Enrolled Region.

### **1.73 Western Electricity Coordinating Council (“WECC”)**

“Western Electricity Coordinating Council” or “WECC” refers to the Western Electricity Coordinating Council or any successor entity.

### **1.74 Western Interconnection**

“Western Interconnection” refers to the western interconnected electric grid in North America. It spans 14 western states in the United States, the Canadian provinces of British Columbia and Alberta, and the northern portion of Baja California in Mexico.

## **Part B. Local Transmission Planning Process**

### **2. PSE Plan**

#### **2.1 Development and Update of PSE Plan**

Transmission Provider shall prepare one Local Transmission Plan (the “PSE Plan”) during each two-year study cycle. The Transmission Provider shall prepare the PSE Plan in year one and provide any necessary updates to the PSE Plan in year two. The PSE Plan will identify transmission needs over the ensuing ten-year planning horizon and potential solutions to those needs.

#### **2.2 PSE Plan Availability**

The main body of the PSE Plan will be made publicly available and posted on Transmission Provider’s OASIS website. However, Critical Energy Infrastructure Information (CEII) may be included in an appendix to the PSE Plan, and disclosure of any such CEII by Transmission Provider shall be subject to the provisions in Section 2.11 “Confidential Information and CEII” of this Part B “Local Transmission Planning Process” of Attachment K.

#### **2.3 Integrated Resource Planning**

The Transmission Provider’s state planning group is to take the PSE Plan into consideration, to the extent required by state law, when preparing its next state-required integrated resource plan and, as appropriate, when preparing studies.

#### **2.4 Reliability Studies**

Transmission Provider will perform or cause to be performed reliability studies with respect to Transmission Provider’s Transmission System to assess whether applicable North American Electric Reliability Corporation (“NERC”), WECC, and local reliability standards (e.g., NERC Transmission Planning Reliability Standard) are met for the ten-year planning horizon.

#### **2.5 Economic Studies**

A Local Economic Study may be requested in accordance with Part E “Economic Study Request” of Attachment K.

#### **2.6 Annual Meeting**

Transmission Customers and stakeholders are encouraged to suggest potential local transmission needs (including those driven by Public Policy Requirements) for analysis in the development of the PSE Plan. Transmission Customers and stakeholders are also encouraged

to provide comments or potential solutions (including non-transmission solutions) to the previously-published PSE Plan, as Transmission Provider will be developing and updating the PSE Plan on a rolling two-year cycle. Any comments may be submitted at the Puget Sound Area Transmission Meeting or electronically by sending an email to TransmissionContractsManager@pse.com.

The Puget Sound Area Transmission Meeting is an open public meeting held annually. Attendance in the meeting is open to all stakeholders, including transmission providers in the Puget Sound area, their existing and prospective transmission (or interconnection) customers, and sponsors of proposals for transmission, generation, and demand response resource projects. Participation is also open to state regulators, local government entities and tribes. The Puget Sound Area Transmission Meeting is anticipated to be held individually or, more likely, in conjunction with other Puget Sound area transmission providers or other PSE planning processes.

Transmission Provider will post all meeting notices, including date, time, place, proposed meeting agenda and meeting contact information on its OASIS at least fifteen calendar days prior to the meeting. Transmission Provider will establish its meeting schedule as needed, but will hold at least one Puget Sound Area Transmission Meeting annually.

## **2.7 Planning Study Methodology**

The PSE Plan will be based on seasonal reliability studies that include load flow, short circuit, and stability analyses. The primary data source for the analyses will be WECC base case data. Base case software analysis will be performed using software commonly accepted in the industry. PSE will specify and update its software in its General Business Practice.

### **2.7.1 Identification of Needs**

The factors considered when selecting local transmission needs (including those driven by Public Policy Requirements) for analysis in developing the PSE Plan shall include the following:

- a. the level and form of support for addressing the potential local transmission need (such as indications of willingness to purchase capacity and existing transmission service requests that could use capacity consistent with solutions that would address the potential local transmission need);
- b. the feasibility of addressing the potential local transmission need;
- c. the extent, if any, that addressing the potential local transmission need would also address other potential transmission needs; and,

- d. the factual basis supporting the potential local transmission need.

No single factor shall necessarily be determinative in selecting any potential local transmission need for analysis in developing the PSE Plan.

With respect to identified local transmission needs driven by Public Policy Requirements, if any, Transmission Provider will post on its OASIS an explanation of which of such need(s) will be evaluated in Transmission Provider's local transmission planning process or an explanation of why any of such need(s) will not be evaluated in the local transmission planning process.

### **2.7.2 Identification of Solutions**

Transmission Provider will identify solutions to the local transmission needs. The factors considered when selecting solutions to the local transmission needs in the PSE Plan shall include the following:

- a. sponsorship and degree of development of proposed solution;
- b. feasibility;
- c. coordination with any affected transmission system;
- d. economics;
- e. effectiveness of performance of wired, non-wired and/or a combination of wired and non-wired solutions;
- f. satisfaction of identified local transmission need(s), including those driven by Public Policy Requirements and including the extent to which the proposed solution satisfies multiple identified local transmission needs;
- g. mitigation of any Material Adverse Impacts on any transmission system;
- h. consistency with applicable state, regional, and federal planning requirements and regulations; and,
- i. consistency with such additional criteria as are then accepted or developed by PSE.

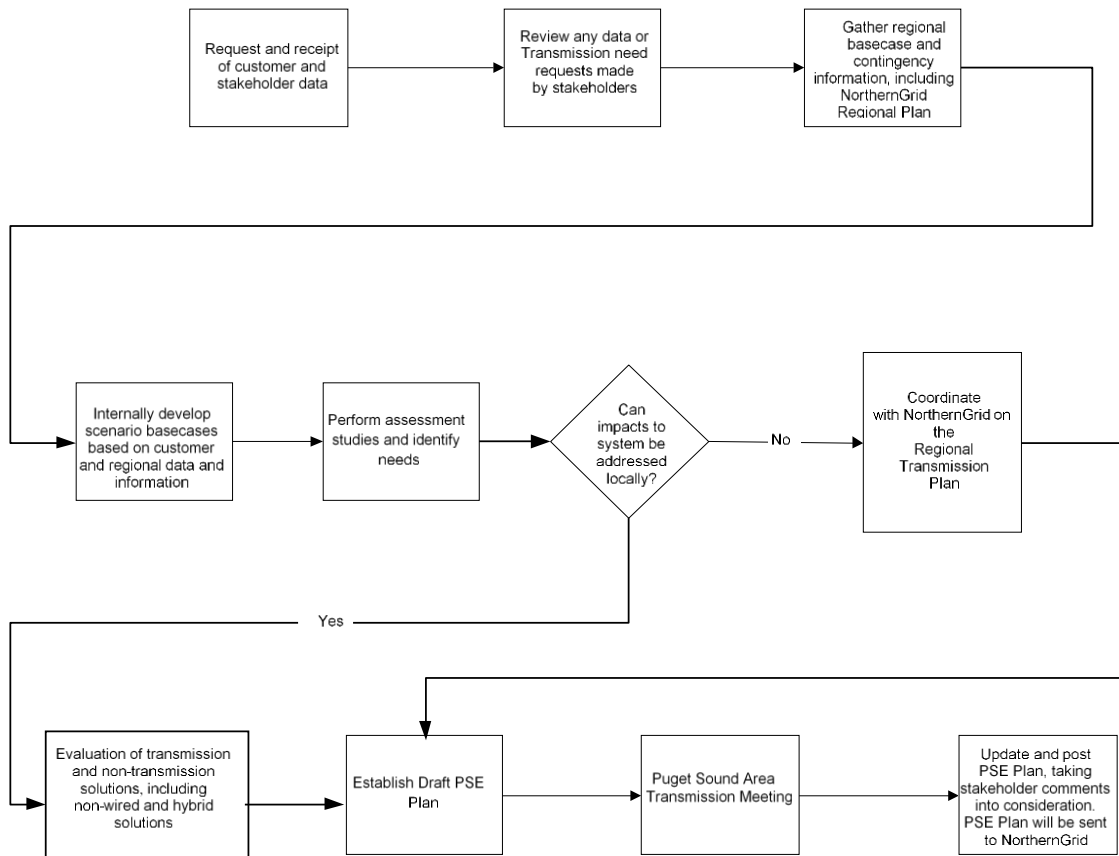
No single factor shall necessarily be determinative in evaluating proposed solutions in developing the PSE Plan.

Additional information regarding Transmission Provider's planning study methodology and guidelines will be posted from time-to-time on its OASIS.

## **2.8 PSE Plan Development Flow Chart**

A generalized flow chart diagramming the major steps in the development of the PSE Plan and its relationship to the regional transmission planning process set forth in Part C "Northern Grid's Enrolled Region Transmission Planning Process." Inasmuch as the regional planning process is described in detail elsewhere in Attachment K, such process is not presented in detail in the flow chart. Although the flow chart activities are depicted sequentially, a number of the activities in the local and regional transmission planning process will be performed concurrently and incorporate feedback from the various ongoing processes to include affected system coordination.

## PSE Plan Development Flow Chart



### 2.9 Formatting of PSE Plan; Contact Person

- a. The PSE Plan shall be written, as feasible, in a non-technical manner. Technical studies may be included in the appendices of the PSE Plan to support the findings of the local planning process, subject to CEII restrictions.
- b. The PSE Plan shall include a point of contact for the Transmission Provider to answer questions, subject to CEII restrictions, related to modeling criteria, assumptions and the data underlying the results and proposed projects included in the PSE Plan.

### 2.10 Attachment K Planning Costs

The Transmission Provider will not provide reimbursement of any costs incurred by other entities or persons participating in the planning processes under this Attachment K. Except as may be otherwise provided in this Attachment K, the Transmission Provider's costs associated

with the Attachment K processes, including Transmission Provider's share of the NorthernGrid planning costs, will be subject to recovery in Transmission Provider's rates.

## **2.11 Confidential Information and CEII**

### **2.11.1 WECC Proprietary, Confidential and Sensitive Information**

Transmission Provider's transmission planning studies may include base case data that are WECC proprietary data and the sharing of certain WECC data will need to adhere to the WECC Information Sharing Policy as amended from time-to-time. A Requestor must demonstrate to Transmission Provider's satisfaction that it has received written permission from WECC for Transmission Provider to disclose WECC proprietary data, such as base case data, to Requestor.

### **2.11.2 RC West Data**

Transmission Provider's may possess confidential information as defined in the California Independent System Operator Reliability Coordinator Services Agreement as updated from time-to-time (the "RC Agreement"), which is accessible in accordance with the terms of the RC Agreement. A Requestor must demonstrate to Transmission Provider's satisfaction that it has received written permission from the California Independent System Operator for Transmission Provider to disclose confidential California Independent System Operator Reliability Coordinator Services Agreement information to Requestor.

### **2.11.3 PSE Confidential Data and CEII Data Requests**

Except as otherwise outlined in section 4.3 "Access to Critical Energy Infrastructure Information (CEII) On the OASIS" of Transmission Provider's Open Access Transmission Tariff, a Requester may request CEII, confidential, or proprietary information using the procedures set forth below. As used in these procedures, CEII has the meaning given to such term by the Commission in 18 C.F.R 388.113, as such term may be amended from time to time, and interpreted by PSE. Confidential and proprietary information are information designated as such by Transmission Provider.

- a. Only an individual may request information ("Requesters"). Requests may not be made on behalf of groups, organizations, businesses, or the like.
- b. Requester shall concurrently deliver fully executed originals of the General Critical Energy Infrastructure Information and Confidential Information Request Form and General CEII and Confidential Information Nondisclosure and Confidentiality Agreement ("NDA") to Transmission Provider at the following address:

Puget Sound Energy  
Attn: Manager, Transmission Policy and Contracts  
Email: [CEIIRequests@pse.com](mailto:CEIIRequests@pse.com)

- c. To the fullest extent practicable, Requester will provide specific, detailed information in the General Critical Energy Infrastructure Information and Confidential Information Request Form to facilitate Transmission Provider's efficient review of the request. If Transmission Provider accepts Requester's application, the General Critical Energy Infrastructure Information and Confidential Information Request Form will become part of Requester's NDA pursuant to the terms of the NDA.
- d. As part of the application, Requester must show to Transmission Provider's satisfaction and approval that the Requester has a legitimate interest in and legitimate need for the requested information from Transmission Provider.
- e. If the request is for materials proprietary to the WECC (such as base case data), NorthernGrid, or any other entity, Requester must also attach to the request proof of agreement to any nondisclosure agreements or other agreements required by such entities.
- f. Transmission Provider will make a determination of whether it considers the requested information to be CEII or otherwise confidential and whether to comply with the request or deny the request in whole or in part. Transmission Provider's determination on whether to grant a request is based upon, among other factors Transmission Provider deems relevant at the time of the request, the Requester's legitimate need for the information, the extent to which the Requester intends to use the information, the Requester's technical ability to make use of the information, to whom the Requester intends to share the information, and Transmission Provider's belief in the extent to which the Requester is willing and capable of complying with the NDA.
- g. Transmission Provider will notify the Requester within twenty (20) working days after Transmission Provider's receipt via postal service of the request of its determination. If Transmission Provider determines that the Requester is eligible to and should receive the requested information, Transmission Provider will determine what additional conditions beyond the NDA, if any, to place on the release of the information and may forward a supplemental nondisclosure form to the Requester for execution.

## **2.12 Dispute Resolution**

Procedural and substantive disputes related to this Part B "Local Transmission Planning Process" of Attachment K shall be initiated and addressed in accordance with Part F "Dispute Resolution" of Attachment K.



## **Part C. NorthernGrid’s Enrolled Region Transmission Planning Process**

### **3. Introduction**

NorthernGrid is an unincorporated association of entities that either own or operate, or that propose to own or operate, electric transmission facilities in the Western Interconnection. NorthernGrid promotes coordinated, open, and transparent transmission planning and facilitates compliance with certain FERC transmission planning directives for the Enrolled Parties. Transmission Provider participates in NorthernGrid’s transmission planning processes as set forth in this Attachment K.

NorthernGrid is to develop a Regional Transmission Plan each Planning Cycle as described in this Attachment K. Each Planning Cycle considers a ten-year planning horizon to commence on the first day of that Planning Cycle (“Regional Planning Horizon”). The Regional Transmission Plan is not intended to be a construction plan; however, the Regional Transmission Plan is intended to provide insight and information regarding regional transmission planning.

Parts C and D of Attachment K set forth NorthernGrid’s Enrolled Region process to be used in developing the Regional Transmission Plan. Part E of Attachment K addresses local and regional economic study requests.

### **4. Participation and Information Access**

#### **4.1 Enrolled Parties**

##### **4.1.1 Identification**

The Enrolled Parties are:

Avista Corporation;  
Idaho Power Company;  
MATL LLP;  
NorthWestern Corporation;  
NV Energy;  
PacifiCorp;  
Portland General Electric Company; and  
Puget Sound Energy, Inc.

##### **4.1.2 Updates to Enrolled Parties List**

Transmission Provider is to revise the list of Enrolled Parties in Section 0 of this Attachment K to add any entity that enrolls pursuant to Section 0, or to remove any entity that withdraws (or is deemed to have withdrawn) as an Enrolled Party.

## **4.2 Becoming an Enrolled Party**

### **4.2.1 Eligibility**

Any Person that satisfies the requirements of sub-sections (i) and (ii) is eligible to and may seek to become an Enrolled Party.

- (i) The Person owns or operates, or proposes to own or operate, transmission facilities in the United States portion of the Western Interconnection.
- (ii) The Person's transmission facilities (whether owned, operated or proposed) within the United States portion of the Western Interconnection are (or are proposed to be) electrically interconnected with another Enrolled Party's transmission facilities or the transmission facilities of a Non-Jurisdictional Entity that utilizes NorthernGrid for transmission planning.

### **4.2.2 Process to become an Enrolled Party**

A Person shall demonstrate eligibility and request to become an Enrolled Party by submitting a completed application form, which is available on the NorthernGrid Website, in accordance with the instructions contained on the form.

The Person becomes an Enrolled Party on the date it satisfies the requirements of subsections (i), (ii), and (iii) below.

- (i) The Person demonstrates eligibility pursuant to Section 0.
- (ii) The Person places into effect either an Attachment K to its Open Access Transmission Tariff if FERC requires the Person to have an Open Access Transmission Tariff, or in the case of a Non-Jurisdictional Entity, executes an agreement that is consistent with this Tariff that defines NorthernGrid's processes for producing a Regional Transmission Plan, Enrolled Party responsibilities, and stakeholder involvement.
- (iii) The Person becomes a party to the Funding Agreement.

### **4.2.3 Process for Non-Incumbent Transmission Developers to Participate**

Provided it is not an Enrolled Party, a Non-Incumbent Transmission Developer that intends to propose a transmission project for evaluation and potential selection into the regional plan in accordance with Section 0 must first execute a Non-Enrolled Developer Agreement in the form of Exhibit D, attached hereto, and pay the study fee indicated in that agreement.

#### **4.2.4 Process for Interregional Transmission Project Proponents to Participate**

Provided it is not an Enrolled Party, an Interregional Transmission Project Proponent that intends to propose an ITP for evaluation and potential selection into the regional transmission plan in accordance with Section 0 must first execute a Non-Enrolled Developer Agreement in the form of Exhibit D, attached hereto.

#### **4.2.5 Duration of Enrollment for Enrolled Parties**

Enrolled Party status is retained, unless or until such time as the entity withdraws, or is deemed to have withdrawn, in accordance with Section 0 of this Attachment K.

#### **4.2.6 Expectations of an Enrolled Party**

Each Person that becomes an Enrolled Party pursuant to Section 0 is expected to actively participate in the transmission planning processes set forth in this Attachment K.

### **4.3 Withdrawal of Enrolled Party**

#### **4.3.1 Notice of Enrolled Party Withdrawal**

Any Enrolled Party may withdraw from being an Enrolled Party by providing written notice of withdrawal to the Enrolled Parties' representative chair of the Enrolled Parties Planning Committee, at the address listed on the NorthernGrid Website, and to each other Enrolled Party, at the address listed for each Enrolled Party on NorthernGrid's Website.

#### **4.3.2 Effective Date of Notice of Withdrawal**

If an Enrolled Party provides notice of withdrawal in accordance with Section 0, such withdrawal will be effective the end of the Planning Cycle in which such written notice of withdrawal is received by the Enrolled Parties' representative chair of the Enrolled Parties Planning Committee; *provided, however*, if the withdrawing Enrolled Party is a Non-Jurisdictional Entity, such withdrawal shall be effective upon the receipt, by the Enrolled Parties' chair of the Enrolled Parties' Planning Committee, of the written notice of withdrawal from such Enrolled Party.

#### **4.3.3 Deemed Withdrawal**

Any Person enrolled as an Enrolled Party pursuant to Section 0 must remain a party to the Funding Agreement. If an Enrolled Party ceases being a party to the Funding Agreement, such Enrolled Party shall be deemed to have withdrawn as an Enrolled Party thirty (30) calendar days after the date such Enrolled Party ceases being a party to the Funding Agreement.

#### **4.3.4 Significance of Withdrawal**

Upon the effective date of withdrawal or deemed withdrawal of an Enrolled Party, all rights and obligations of the withdrawing Enrolled Party under this Attachment K shall terminate;

provided that all obligations and liabilities of such withdrawing Enrolled Party, including any obligation with regard to any Total Project Cost allocated to such Enrolled Party in accordance with Section O of this Attachment K, accrued prior to the date upon which withdrawal of such Enrolled Party is effective, as provided in Section O or O (as applicable), are preserved until satisfied.

#### **4.4 Participation by Merchant Transmission Developer**

A Merchant Transmission Developer that has either executed the Funding Agreement or executed a Non-Enrolled Developer Agreement in the form of Exhibit D, attached hereto, and paid a study fee in accordance with such agreement, may submit a Merchant Transmission Project into the Planning Cycle in accordance with Section O.

#### **4.5 Stakeholder Participation**

Any Person may attend public meetings, and any Person may submit comments to materials published on the NorthernGrid Website for public comment according to the instructions included with the materials. NorthernGrid is to post notice of the public meeting on the NorthernGrid Website at least seven (7) calendar days in advance of such meeting. The meeting notice will identify the date, time, and location of the meeting.

#### **4.6 Engagement of States**

State participation in the processes in this Attachment K is described in the Enrolled Parties and States Committee Charter.

#### **4.7 Sensitive Information**

##### **4.7.1 Protocols for Treatment and Labeling of CEII or Confidential Information**

Any Person seeking to participate in the processes of this Attachment K must adhere to the rules and/or guidelines established by the Enrolled Parties concerning CEII or Confidential Information. Those rules and any guidelines will be posted on the NorthernGrid Website and updated as necessary. Confidential Information and CEII must be clearly marked as such.

##### **4.7.2 Requesting and Processing Information Requests**

A Person may request information from NorthernGrid by completing and submitting a written request form available on the NorthernGrid Website, specifying the information being requested. The Enrolled Parties Planning Committee is to determine whether any of the requested information includes CEII or Confidential Information. NorthernGrid is to provide to the requestor the information requested that NorthernGrid does not identify as information that includes any CEII or Confidential Information.

If the requested information includes CEII or Confidential Information, NorthernGrid is to notify the requestor in writing that information requested by such requestor includes CEII or

Confidential Information and that the requestor must comply with restrictions imposed on access to and use of such data (such as a non-disclosure agreement) by the entity that owns such data. NorthernGrid is, to the extent practicable, to inform the requestor of the entities with which it must enter into a non-disclosure agreement. To the extent any other entity's Confidential Information is contained within the work product of NorthernGrid, any non-disclosure agreements must be obtained with such entity prior to disclosure of Confidential Information by NorthernGrid.

The requestor shall work with each entity, as applicable, to execute non-disclosure agreements. Once NorthernGrid has received confirmation that applicable non-disclosure agreements have been executed, it is to provide the Confidential Information or CEII to the requestor. In no event shall the Transmission Provider or NorthernGrid be required to produce or provide to any Person information in violation of any applicable law, regulation, or other legal requirement.

## **NorthernGrid Planning Cycle**

### **5. Data Gathering/Study Scope Inputs**

#### **5.1 Responsibility**

The Enrolled Parties Planning Committee is to gather data to prepare the Study Scope and perform certain evaluations as set forth in this Attachment K.

#### **5.2 Data Gathering**

##### **5.1.2 General from Stakeholders**

Any stakeholder may submit data, including projects, for evaluation as part of the preparation of the Draft Regional Transmission Plan to address Enrolled Party Needs, including such needs driven by Public Policy Requirements, and Non-Transmission Alternatives and Conceptual Solutions to address such Enrolled Party Needs. Projects submitted by stakeholders as well as Conceptual Solutions derived from stakeholder information may become Sponsored Projects that may be submitted for evaluation and/or cost allocation pursuant to Section 5.2.3.1 or 5.2.3.2, or they may be submitted for evaluation and cost allocation pursuant to Section 5.2.3.3. A stakeholder shall use the Data Submittal Form to submit data and may use Table A, in Section 5.2.3.5, as guidance for the types of data to be submitted. Stakeholders shall submit such data to NorthernGrid consistent with the instructions available on the NorthernGrid Website, within the Submittal Window. Stakeholders may also submit such data to NorthernGrid consistent with the instructions available on the NorthernGrid Website within the sixty (60) day time period for submitting additional information under Section 0. Untimely submissions will not be considered.

##### **5.2.2 Enrolled Party Information**

Each Enrolled Party is to submit the following information to NorthernGrid within the Submittal Window:

- (i) Its Local Transmission Plan, and the data required by Section 5.2.3.5 for any local project that is to be evaluated by the Enrolled Parties Planning Committee;
- (ii) Any local project the Enrolled Party is identifying and submitting appropriate evidence for, such that the project may be evaluated by the Enrolled Parties Planning Committee for possible classification as a Committed Project;
- (iii) Data used to develop its Local Transmission Plan, including projections of network customer loads and resources, projected point-to-point transmission service forecast information, existing and planned demand response resources;
- (iv) Updates to previously submitted data;
- (v) Enrolled Party Needs, including such needs driven by Public Policy Requirements; and
- (vi) Any other project that such Enrolled Party intends to propose for evaluation in the Planning Cycle, including any Non-Transmission Alternatives or Conceptual Solutions.

### **5.2.3 Proposing a Project**

#### **5.2.3.1 New Sponsored Projects**

An Enrolled Party, a Non-Incumbent Transmission Developer, an ITP Proponent, or a Merchant Transmission Developer (each individually referred to as a Project Sponsor) may propose a new transmission project (each a “Sponsored Project”) for evaluation in a Planning Cycle. At a minimum, the data identified in Table A must be submitted for each project being proposed. For any project submitted for possible classification as a Committed Project, the Project Sponsor must demonstrate, to the reasonable satisfaction of the Enrolled Parties Planning Committee, that the project is a Committed Project. Failure to do so will result in the project being evaluated in the normal course, during the Planning Cycle.

#### **5.2.3.2 Request for Cost Allocation - Sponsored Project**

An Enrolled Party, a Non-Incumbent Transmission Developer, and an ITP Proponent that is deemed a Qualified Sponsor or otherwise qualifies as a Qualified Developer in accordance with Section 0 below, may propose a Sponsored Project for evaluation and potential selection in the Regional Transmission Plan for purposes of cost allocation; provided, however, that Non-Transmission Alternatives are not eligible to be selected for purposes of cost allocation.

A Qualified Sponsor/Qualified Developer shall use the Data Submittal Form to submit data and may use Table A below, as guidance for the types of data to be submitted. Qualified Sponsors/Qualified Developers shall submit such data to NorthernGrid within the Submittal

Window, or to the extent such submission is related to additional information submitted in accordance with Section 0, within fifteen (15) days after the close of the sixty (60) day period for submitting data pursuant to Section 0, consistent with the instructions available on the NorthernGrid Website. Untimely submissions will not be considered.

A transmission project for which a Request for Cost Allocation has been properly submitted is referred to as a “Potential Cost Allocation Project.” A Qualified Sponsor/Qualified Developer may withdraw its Request for Cost Allocation at any time by providing written notice to the Chair of the Cost Allocation Task Force. In the event that all Qualified Sponsors/Qualified Developers of a specific Potential Cost Allocation Project withdraw their Request(s) for Cost Allocation, such project shall no longer be eligible, during the then-current Planning Cycle, for consideration to become a Cost Allocation Project in the Regional Transmission Plan.

### **5.2.3.3 Request for Cost Allocation – Un-sponsored Project**

Any Enrolled Party, Non-incumbent Transmission Developer, or ITP Proponent (only with regard to un-sponsored projects that are ITPs) may propose an un-sponsored transmission project for evaluation and potential selection into the Regional Transmission Plan for purposes of cost allocation. However, each un-sponsored project is dependent upon an otherwise Qualified Sponsor/Qualified Developer to submit a Request for Cost Allocation on behalf of the un-sponsored project. A transmission project for which a Request for Cost Allocation has been properly submitted is referred to as a “Potential Cost Allocation Project.” If no Qualified Sponsor/Qualified Developer submits a Requests for Cost Allocation for an otherwise un-sponsored transmission project, such un-sponsored project will be removed from the Regional Transmission Plan.

Any Enrolled Party, Non-incumbent Transmission Developer, or ITP Proponent proposing an un-sponsored transmission project for evaluation and potential selection into the Regional Transmission Plan for purposes of cost allocation, shall use the Data Submittal Form to submit relevant data about the project and shall use Table A and Section 0 below, for the types of data to be submitted. Such data shall be submitted to NorthernGrid within the Submittal Window, or to the extent such submission is related to additional information submitted in accordance with Section 0, within fifteen (15) days after the close of the sixty (60) day period for submitting data pursuant to Section 0, consistent with the instructions available on the NorthernGrid Website. Untimely submissions will not be considered.

If a Request for Cost Allocation is made on behalf of an un-sponsored project, such request may later be withdrawn by the Qualified Sponsor/Qualified Developer who requested cost allocation by providing written notice to the chair of the Cost Allocation Task Force. If the Request for Cost Allocation is withdrawn, such un-sponsored project shall no longer be eligible, during the then-current Planning Cycle, for consideration to become a Cost Allocation Project in the Regional Transmission Plan.

### **5.2.3.4 Merchant Transmission Projects**

A Merchant Transmission Developer may submit a Merchant Transmission Project for evaluation in the Planning Cycle by submitting the data identified in Table A below, to be

submitted by Merchant Developers, and thereby have its project recognized as a “Sponsored Project.” However, Merchant Transmission Projects shall not be considered for cost allocation.

**5.2.3.5 Minimum Data Submittal Requirements (“Project Data” or “Table A”)**

<b>Table A. Project Data Requirements</b>			
	<b>Data/Information to be provided</b>	<b>Everyone except Merchant Transmission Developers</b>	<b>Merchant Transmission Developers</b>
A	Proposed project name and name of Project Sponsor; if project is an unsponsored project, please clearly label project as “Unsponsored”	Y	Y
B	Whether or not project is claimed to be a Committed Project	Y	Y
C	Whether Project Sponsor intends to request cost allocation	Y	N
D	Identify the Enrolled Party Needs to be addressed and whether any such Enrolled Party Needs are driven by Public Policy Requirements	Y	Optional
E	Identify location of project, including map of proposed route	Y	Y
F	Any new facilities comprising the project (e.g., new substations and transmission lines)	Y	Y
G	Voltage level (including AC or DC)	Y	Y
H	Structure type (wood, steel, single-circuit, double-circuit, etc.)	Y	Y
I	Conductor type, mileage, configuration, and electrical parameters of components as necessary to model them accurately in power flow	Y	Y



<b>Table A. Project Data Requirements</b>			
	<b>Data/Information to be provided</b>	<b>Everyone except Merchant Transmission Developers</b>	<b>Merchant Transmission Developers</b>
	simulations (e.g., resistance, reactance, charging, ratings, etc.)		
J	Project terminal facilities and any reactive elements (in MVAR)	Y	Y
K	“Estimated Cost” of project, and if available, the associated annual revenue requirement and underlying assumptions (such as annual return (both debt and equity), depreciation, taxes other than income, operation and maintenance expense, and income taxes)	Y	Optional
L	Development schedule of the project	Y	Y
M	Planned in-service date of the project	Y	Y
N	Whether the project is being proposed as an Interregional Transmission Project (ITP)	Y	N
O	If the project is an Interregional Transmission Project, a list of all Relevant Planning Regions to which the Interregional Transmission Project has been, or is to be, submitted for evaluation	Y	N
P	Whether the project is a Merchant Transmission Project	N	Y
Q	Additional technical studies and analysis, if performed	Y	Y

<b>Table A. Project Data Requirements</b>			
	<b>Data/Information to be provided</b>	<b>Everyone except Merchant Transmission Developers</b>	<b>Merchant Transmission Developers</b>
R	Economic Considerations <sup>1</sup>	Y	Optional

If the Enrolled Parties Planning Committee determines that additional information is necessary or appropriate, it may request the additional information at any time and the Project Sponsor shall promptly provide such other information as may reasonably be requested.

### **5.2.3.6 Additional Information about Potential Cost Allocation Projects**

Within fifteen (15) calendar days of submitting a Request for Cost Allocation for a Potential Cost Allocation Project in accordance with Section 0, the Qualified Sponsor/Qualified Developer of such Potential Cost Allocation Project shall, to the extent not already provided, submit the following additional information about the Potential Cost Allocation Project:

- (i) Qualified Sponsor's/Qualified Developer's anticipated role regarding the Potential Cost Allocation Project (e.g., intends to be the developer, owner, and/or operator of the Potential Cost Allocation Project) and the identity of any other entity that proposes to participate in the development, ownership, or operation of the Potential Cost Allocation Project;
- (ii) Required steps for developing the Potential Cost Allocation Project, such as granting of state, federal, and local approvals and obtaining easements necessary to develop and construct the Potential Cost Allocation Project so as to timely meet the Enrolled Party Need(s), and the current status regarding any such steps;
- (iii) Anticipated transfer capability or path rating increase associated with the Potential Cost Allocation Project;
- (iv) A list of new facility outages that should be analyzed as a result of the Potential Cost Allocation Project; and
- (v) All data underlying the calculation of Estimated Costs; must share sufficient detail to allow the Cost Allocation Task Force to determine the Annualized Cost of the Potential Cost Allocation Project (Note: Estimated Costs may be compared to the WECC Transmission Capital Costs Calculator or some other recognized tool).

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<sup>1</sup> Provide data supporting the economic considerations (rather than load service, reliability or Public Policy Requirements) that are driving the project. Economic considerations include but are not limited to a search for lower cost power or marketing opportunities for power or transmission service.

The Enrolled Parties Planning Committee or the Cost Allocation Task Force may request additional information at any time and the Qualified Sponsor/Qualified Developer shall promptly provide such other information as may reasonably be requested.

**5.2.3.7 Submitting and Updating Sponsored Projects (not including Cost Allocation Projects) included in the prior Regional Transmission Plan**

Any Sponsored Project included in the prior Regional Transmission Plan for which the Project Sponsor does not intend to request cost allocation in the current Planning Cycle must be re-submitted as a Sponsored Project within the Submittal Window, along with updates to the information required by Table A, to be considered in the then-current Planning Cycle. To the extent a Project Sponsor fails to submit updated information identified in Table A, then only that information readily available to the Enrolled Parties Planning Committee shall be utilized. Sponsored Projects included in the prior Regional Transmission Plan will no longer be included in the Regional Transmission Plan for the current Planning Cycle if:

- (i) Such project no longer satisfies an Enrolled Party Need; or
- (ii) The Project Sponsor has withdrawn its project.

**5.2.3.8 Updating Previous Cost Allocation Projects included in the prior Regional Transmission Plan**

The previously Qualified Developer of any Cost Allocation Project selected in the prior Regional Transmission Plan must again qualify in the current Planning Cycle as a Qualified Developer under Section 0 by submitting, within the Submittal Window, updates to the information required by Table B, until such Cost Allocation Project either (i) is no longer to be included in a Regional Transmission Plan or (ii) has been demonstrated by the Qualified Developer to be a Committed Project. Updates to the information listed in Table A and Section 0 is also requested. However, to the extent a Qualified Developer fails to submit updated information identified in Table A and Section 0, only that information that is readily available to the Enrolled Parties Planning Committee and the Cost Allocation Task Force shall be utilized. Cost Allocation Projects selected in the prior Regional Transmission Plan will not be included in the Regional Transmission Plan as a Cost Allocation Project for the current Planning Cycle if, in the Planning Cycle, it is determined that:

- (i) All who originally submitted a Request for Cost Allocation on behalf of such project no longer satisfy the criteria in the current Planning Cycle as Qualified Developers under Section 0;
- (ii) Such project no longer satisfies an Enrolled Party Need;
- (iii) All that properly submitted a Request for Cost Allocation with respect to such Cost Allocation Project have withdrawn their Requests for Cost Allocation;

- (iv) The project is no longer determined to be a more efficient or cost-effective solution to an Enrolled Party Need; or
- (v) Such project has been in the Regional Transmission Plan for three successive Planning Cycles and the Qualified Developer has not demonstrated that such project has achieved the status of being a Committed Project.

#### **5.2.4 Submittal Form and Due Date**

All data/information, including Request for Cost Allocation, submitted pursuant to the requirements described in Sections O through O shall be submitted within the Submittal Window to NorthernGrid using the Data Submittal Form (available on the NorthernGrid Website), consistent with the instructions available on the NorthernGrid Website.

#### **5.2.5 Use of Submitted Information**

By submitting data/information pursuant to this Attachment K, the submitting entity authorizes the use of the information in all NorthernGrid processes without compensation in any form. Any data/information made available or otherwise provided shall be “AS IS” and any reliance on such information is at one’s own risk, without warranty and without any liability of NorthernGrid (or any committee or committee members of NorthernGrid), Transmission Provider, or any entity supplying information.

### **5.3 Review of Submitted Information**

The Enrolled Parties Planning Committee is to review the information submitted in accordance with Section O. If a Project Sponsor/Qualified Sponsor/Qualified Developer fails to meet the information requirements set forth in Section O, the Enrolled Parties Planning Committee is to notify the Project Sponsor/Qualified Sponsor/Qualified Developer of the reasons for such failure. Each Project Sponsor/Qualified Sponsor/Qualified Developer shall have an opportunity to remedy deficiencies in their submitted data/information. If a Project Sponsor/Qualified Sponsor/Qualified Developer fails to fully remedy such deficiencies by the first April 15<sup>th</sup> of the Planning Cycle, that Project Sponsor’s/Qualified Sponsor’s/Qualified Developer’s proposed transmission project and/or Request for Cost Allocation shall be deemed withdrawn.

### **5.4 Untimely or Improperly Submitted Requests or Submittals of Information**

Untimely (i.e., information received by NorthernGrid prior to the opening of the Submittal Window or after the Submittal Window has closed, with the exception of (i) information submitted no later than fifteen (15) days after the close of the Submittal Window to remedy a deficiency notice from the Enrolled Parties Planning Committee; or (ii) additional data, including projects, for evaluation as part of the preparation of the Draft Regional Transmission Plan to address Enrolled Party Needs identified in the draft Study Scope that is submitted in accordance

with Section 0) or improperly submitted requests made pursuant to Section 0, will not be considered.

## **6. Development of Draft Regional Transmission Plan**

### **6.1 Study Scope Development**

The Enrolled Parties Planning Committee is to develop a draft Study Scope. The draft Study Scope shall describe:

- a. Projects submitted, and data gathered in accordance with Section 0;
- b. Any Committed Projects (If any project included in the prior Regional Transmission Plan is determined by the Enrolled Parties Planning Committee to be a Committed Project, such project shall be included in the Draft Regional Transmission Plan as a Committed Project and shall not be subject to further evaluation in this Planning Cycle);
- c. The detailed study methodology;
- d. Reliability criteria to be considered;
- e. Enrolled Party Needs, including needs driven by Public Policy Requirements;
- f. Assumptions (including loads, resources, desired flows, constraints);
- g. Baseline Projects of Enrolled Parties;
- h. Each Alternative Project to be considered;
- i. Each Non-Transmission Alternative to be considered;
- j. Databases to be utilized; and
- k. Evaluation scenarios.

### **6.2 Review and Comment; Consideration of Comments; Update Study Scope**

Upon completion of the development of the draft Study Scope, the Enrolled Parties Planning Committee is to post the draft Study Scope on the NorthernGrid Website. Thereafter, the Enrolled Parties Planning Committee is to schedule a public meeting to review the draft Study Scope and solicit comments from stakeholders and the Enrolled Parties and States Committee. NorthernGrid is to post the draft Study Scope and notice of the public meeting on the NorthernGrid Website at least seven (7) calendar days in advance of such meeting.

At the public meeting, the Enrolled Parties Planning Committee is to present the draft Study Scope to stakeholders and the Enrolled Parties and States Committee for comment. Stakeholders and the Enrolled Parties and States Committee have fifteen (15) calendar days

following the meeting to submit written comments on the draft Study Scope. NorthernGrid is to:

- a. Post any written comments received;
- b. Post any responses to written comments within fifteen (15) calendar days after the comment period closes; *provided that* either Chair of the Enrolled Parties Planning Committee may extend the time for posting such responses to the extent necessary to allow time to adequately consider and respond; and
- c. Make modifications in response to comments received, as the Enrolled Parties Planning Committee deems appropriate, and finalize the draft Study Scope.

In addition to the opportunity to comment on the draft Study Scope in accordance with this Section, stakeholders shall also have sixty (60) days following the posting of the draft Study Scope to submit additional data, including projects, for evaluation as part of the preparation of the Draft Regional Transmission Plan to address Enrolled Party Needs identified in the draft Study Scope, including such needs driven by Public Policy Requirements, and Non-Transmission Alternatives and Conceptual Solutions to address such Enrolled Party Needs. Stakeholders shall use the Data Submittal Form to submit data and may use Table A, in Section 0, as guidance for the types of data to be submitted. Stakeholders shall submit such data to NorthernGrid consistent with the instructions available on the NorthernGrid Website, within the sixty (60) day period set forth in this Section. Untimely submissions will not be considered.

After considering comments and any additional information submitted pursuant to this Section, the Enrolled Parties Planning Committee may modify the draft Study Scope and is to finalize the Study Scope. NorthernGrid is to post the final Study Scope on the NorthernGrid Website. The Enrolled Parties Planning Committee is to document its analysis and results in the Draft Regional Transmission Plan, including the rationale for selecting and excluding transmission needs driven by Public Policy Requirements.

### **6.3 Analysis; Documentation in Draft Regional Transmission Plan**

The Enrolled Parties Planning Committee is to evaluate combinations of the Baseline Projects of Enrolled Parties and Alternative Projects to identify whether there may be a combination that effectively satisfies all Enrolled Party Needs (“Regional Combination”). If a project does not meet any Enrolled Party Need, it will not be considered by Enrolled Parties for inclusion in the Draft Regional Transmission Plan.

Once the Enrolled Parties Planning Committee becomes aware of a Material Adverse Impact on a Neighboring System caused by a Sponsored Project or Alternative Project identified in the Regional Combination, the Project Sponsor is to coordinate with the Neighboring Systems to assess the facilities necessary to mitigate the Material Adverse Impact on the Neighboring Systems. If the Material Adverse Impact cannot be mitigated (by actions within the Enrolled Region or the Neighboring Systems), or the Project Sponsor does not identify solutions to

mitigate the Material Adverse Impact on the Neighboring Systems, the Sponsored Project or Alternative Project identified in the Regional Combination will not be selected into the Draft Regional Transmission Plan. The Project Sponsor will provide the Mitigation Cost for each Material Adverse Impact to the Enrolled Parties Planning Committee. The Enrolled Parties Planning Committee will determine the Mitigation Cost for each Material Adverse Impact for any Conceptual Solution. The Enrolled Parties Planning Committee will review and adjust the Mitigation Cost for each project and then associate the Mitigation Cost of each Material Adverse Impact to each project causing the Material Adverse Impact. The Enrolled Parties Planning Committee is to document its analysis and results in the Draft Regional Transmission Plan.

#### **6.4 Review and Comment; Consideration of Comments; Update Draft Regional Transmission Plan**

Upon development of the Draft Regional Transmission Plan, the Enrolled Parties Planning Committee is to post the Draft Regional Transmission Plan on the NorthernGrid Website. Thereafter, the Enrolled Parties Planning Committee is to schedule a public meeting to review the Draft Regional Transmission Plan and solicit comments from stakeholders and the Enrolled Parties and States Committee. The Enrolled Parties Planning Committee is to post the Draft Regional Transmission Plan and notice of the public meeting on the NorthernGrid Website at least seven (7) calendar days in advance of such meeting.

At the public meeting, the Enrolled Parties Planning Committee is to present the Draft Regional Transmission Plan to stakeholders and the Enrolled Parties and States Committee for comment. Stakeholders and the Enrolled Parties and States Committee have fifteen (15) calendar days following the meeting to submit written comments on the Draft Regional Transmission Plan. Comments may include changes to the data provided pursuant to Section 0.

The Enrolled Parties Planning Committee is to:

- a. Post any written comments received;
- b. Post any responses to written comments within fifteen (15) calendar days after the comment period closes; provided that the Enrolled Party Chair of the Enrolled Parties Planning Committee may extend the time for posting such responses to the extent necessary to allow time to adequately consider and respond;
- c. Make modifications in response to comments received, as the Enrolled Parties Planning Committee deems appropriate, to the Study Scope based upon additional information about new or changed circumstances related to loads, resources, transmission projects or Alternative Solutions, or identified changes to data provided and then, based upon the updated Study Scope, update the analysis performed in accordance with Section 6.3 “Analysis; Documentation in the Draft Regional Transmission Plan;” and

- d. Make modifications in response to comments received and/or make modifications resulting from the updated analysis performed in accordance with sub-section (c) above, as the Enrolled Parties Planning Committee deems appropriate, to the Draft Regional Transmission Plan.

**6.5 Comparability**

In developing the Study Scope and the Draft Regional Transmission Plan, the Enrolled Parties Planning Committee is to consider all timely submitted information, including information and comments received from stakeholders, comparably to address Enrolled Party Needs including reliability requirements, economic considerations, and Public Policy Requirements.

**7. Qualifying to Request Cost Allocation**

**7.1 Qualification Process for/to Submit a Project for Cost Allocation**

**7.1.1 Qualification to Request Cost Allocation**

Any Enrolled Party, Non-Incumbent Transmission Developer (that has satisfied the requirements of Section 0) or ITP Proponent (that has satisfied the requirements of Section 0) that does not intend to develop the project for which it intends to submit a Request for Cost Allocation, is deemed a Qualified Sponsor. Any Enrolled Party, Non-Incumbent Transmission Developer (that has satisfied the requirements of Section 0), or ITP Proponent (that has satisfied the requirements of Section 0) that does intend to develop the project for which it intends to submit a Request for Cost Allocation must first qualify in accordance with Section 7.1.2 to become a Qualified Developer.

**7.1.2 Qualification Process**

Any Enrolled Party, Non-Incumbent Transmission Developer (that has satisfied the requirements of Section 0), or ITP Proponent (that has satisfied the requirements of Section 0) that intends to develop a project for which it intends to submit a Request for Cost Allocation must submit, within the Submittal Window, the qualification data described in Table B below, through the NorthernGrid Website, using the Developer Qualification Data Form found on the NorthernGrid Website.

<b>Table B. Developer Qualification Data Requirements</b>		
<b>Category</b>	<b>Information to be Provided</b>	<b>Criteria for Evaluation of Information</b>
Project Sponsor’s Identification	1. name 2. address 3. primary contact information, including: (i) name and title (ii) phone number	Assess whether required data was submitted.



<b>Table B. Developer Qualification Data Requirements</b>		
<b>Category</b>	<b>Information to be Provided</b>	<b>Criteria for Evaluation of Information</b>
	(iii) address (iv) email address	
Project Sponsor's Experience	1. years in business 2. description of any relevant experience, including management and technical experience, developing, constructing, owning, and/or operating a project of similar size and scope as the Sponsored Project	Assess whether information indicates experience, including managerial and technical expertise in developing, constructing (or managing construction), owning, and/or operating comparable projects.
Reliance on Third Parties	1. identification of any third parties that the Project Sponsor intends to rely on for management, development, operating, or technical expertise 2. description of the expertise the third party is expected to provide 3. information from which such third party's financial ability to perform can be evaluated, which may include information substantially similar to the information listed with regard to the Project Sponsor's financial ability below	Assess whether information indicates the third party has experience, including managerial and technical expertise in developing, constructing (or managing construction), and/or operating comparable projects.
Project Sponsor's Financials	1. demonstrate that Project Sponsor, or Project Sponsor's parent, has either an investment grade rating or has a minimum tangible net worth of \$1,000,000 or total assets of \$10,000,000 2. provide information from which Project Sponsor's creditworthiness can be evaluated, which may include the following (to the extent they exist): (i) most recent annual report (ii) most recent quarterly report (iii) last two most recent audited year-end financial statements (iv) rating agency reports (v) any material issues that could affect	Assess whether the information was submitted and satisfied the criteria.

<b>Table B. Developer Qualification Data Requirements</b>		
<b>Category</b>	<b>Information to be Provided</b>	<b>Criteria for Evaluation of Information</b>
	the credit rating, including any pending or expected litigation or investigations (vi) other information supporting Project Sponsor’s financial ability	
Affirmation	a signed affirmation by an authorized officer of Project Sponsor that the information provided under this Section is true, accurate, and compete to the best of such authorized officer’s knowledge and belief	Assess whether the information was submitted.

### **7.1.3 Evaluation of Project Sponsor Submissions**

The data submitted pursuant to Section 0 shall be evaluated to determine whether such entity has the minimum qualifications to develop the project submitted. For each Planning Cycle the Cost Allocation Task Force is to apply the criteria identified in Table B in a comparable and non-discriminatory manner. The sufficiency of the qualification data will be determined by the Cost Allocation Task Force. The Cost Allocation Task Force Co-Chairs are to provide the Project Sponsor with written notice of the Cost Allocation Task Force’s determinations. The notice will provide either that the entity satisfies the qualification data requirements or will identify specific deficiencies. An entity that has satisfied the qualification data requirements is referred to as a “Qualified Developer.”

### **7.1.4 Opportunity to Cure Deficiencies and Failure to Cure**

If the Cost Allocation Task Force identifies deficiencies in the qualification data submitted by an entity, such entity has fifteen (15) calendar days from the date of notice of deficiencies to cure the identified deficiencies. If deficiencies are not timely cured, the Cost Allocation Task Force Chair is to provide the entity with written notice that it is not qualified to develop the project for which it intended to request cost allocation pursuant to Sections 0 or 5.2.3.3 in the Planning Cycle. An entity that fails to become a Qualified Developer may seek to qualify during the Submittal Window in the next Planning Cycle.

## **8. Cost Allocation**

### **8.1 Projects Eligible for Cost Allocation Consideration**

The Cost Allocation Task Force is to identify whether a cost allocation analysis is required for any Potential Cost Allocation Project that was identified within a Regional Combination in Section 6.3 and included in the Draft Regional Transmission Plan. This is to be accomplished by the Cost Allocation Task Force confirming that each such Potential Cost Allocation Project has Estimated Costs exceeding \$20 million. Such a Potential Cost Allocation Project is then

referred to as a “Project for Cost Allocation Consideration.” Any Potential Cost Allocation Project with Estimated Costs that do not exceed \$20 million will no longer be considered for cost allocation in the Planning Cycle.

## **8.2 Total Project Cost and Annualized Cost of Projects for Cost Allocation Consideration**

The Cost Allocation Task Force is to determine the Total Project Cost of each Project for Cost Allocation Consideration. The Cost Allocation Task Force is also to determine the Annualized Cost of each Project for Cost Allocation Consideration as set forth in this Section 0.

### **8.2.1 Annualized Cost of a Project That Is Not an ITP**

The Annualized Cost is a levelized annual cost over the life of the Project for Cost Allocation Consideration. When determining the Annualized Cost of a project that is not an ITP, the Cost Allocation Task Force shall include the following, as applicable:

- a. Estimated annualized revenue requirement of the Estimated Cost submitted pursuant to row K of Table A in Section 0, as such may be updated pursuant to either Section 0 or Section 0;
- b. Estimated annualized revenue requirement of the Mitigation Cost identified in Section 0, to mitigate the Material Adverse Impact on the Neighboring Systems associated with a Project for Cost Allocation Consideration.

The annualized revenue requirement of the Estimated Cost and the annualized revenue requirement of the Mitigation Costs will include assumptions for annual return (both debt and equity), depreciation, taxes other than income, operation and maintenance expense, and income taxes. The Cost Allocation Task Force may make adjustments to the annual revenue requirements and underlying assumptions submitted pursuant to row K of Table A in Section 0 as it in its professional judgment determines to be necessary. If no revenue requirements or assumptions are submitted, the Cost Allocation Task Force is to determine, in its professional judgment, the annual revenue requirements and underlying assumptions. Such adjustments or determinations are to be explained in the Draft Regional Transmission Plan.

When determining the Annualized Cost of each Project for Cost Allocation Consideration, the Cost Allocation Task Force may make adjustments to the Estimated Cost and Mitigation Cost submitted, using the WECC Transmission Capital Costs Calculator (or some other recognized tool), as the Cost Allocation Task Force in its professional judgment determines to be necessary. Such adjustments are to be explained in the Draft Regional Transmission Plan.

### **8.2.2 Annualized Cost of an ITP**

With respect to the Annualized Cost of an ITP, the Cost Allocation Task Force shall annualize, in the manner described in Section 0, the Assigned Regional Costs from Interregional Cost Allocation, as determined in accordance with Section 0.

### **8.3 Identify More Efficient or Cost-Effective Solutions; Documentation in Draft Regional Transmission Plan**

The Cost Allocation Task Force is to evaluate the Projects for Cost Allocation Consideration to determine whether any such projects are a more efficient or cost-effective solution to an Enrolled Party Need.

In determining whether a Project for Cost Allocation Consideration is the more efficient or cost-effective solution to an Enrolled Party Need, the Cost Allocation Task Force is to consider the following factors:

- a. Sponsorship and degree of development;
- b. Feasibility;
- c. Coordination with any affected transmission system;
- d. Economics;
- e. Effectiveness of performance;
- f. Satisfaction of an Enrolled Party's Need, including the extent to which the proposed solution satisfies multiple Enrolled Parties' Needs;
- g. Mitigation of any Material Adverse Impact of such proposed solution on any transmission system; and
- h. Consistency with applicable state, regional, and federal planning requirements and regulations.

No single factor is necessarily to be determinative in evaluating proposed solutions to address Enrolled Party(ies) Needs.

Any Project for Cost Allocation Consideration that is determined to be more efficient or cost-effective will then be incorporated within the Draft Regional Transmission Plan as an "Eligible Cost Allocation Project." The Cost Allocation Task Force is to document its analysis and results in the Draft Regional Transmission Plan, including analysis and results regarding any Project for Cost Allocation Consideration that is determined to not be the more efficient or cost-effective and thus not eligible for cost allocation.

### **8.4 Benefits of An Eligible Cost Allocation Project**

The Benefits of any Eligible Cost Allocation Project are, Deferred Costs, Avoided Capital Costs, and Increased Useful Available Transfer Capability directly attributable to such Eligible Cost Allocation Project. Each Benefit is described and will be evaluated as set forth below. Each Benefit is converted to a levelized annual amount and assumed to continue over the life of the Eligible Cost Allocation Project.

### **8.4.1 Deferred Costs**

Deferred Costs of an Enrolled Party are a Benefit of such Enrolled Party. The Deferred Costs of an Enrolled Party for an Eligible Cost Allocation Project are the projected avoided costs of such Enrolled Party's deferred transmission facilities over the deferral period that are directly attributable to such Eligible Cost Allocation Project. Deferred Costs are to be calculated for each Enrolled Party based on the revenue requirement avoided over each year of the deferral period (i.e. annual return (both debt and equity), depreciation, taxes other than income, operation and maintenance expense, and income taxes), and then annualized over the life of the Eligible Cost Allocation Project.

### **8.4.2 Avoided Capital Costs**

Avoided Capital Costs of an Enrolled Party are a Benefit of such Enrolled Party. The Avoided Capital Costs of an Enrolled Party for an Eligible Cost Allocation Project are the avoided costs of eliminated transmission facilities for such Enrolled Party that are directly attributable to such Eligible Cost Allocation Project. Avoided Capital Costs are to be calculated for each Enrolled Party based on the revenue requirement avoided over each year of the life of the Eligible Cost Allocation Project (i.e. annual return (both debt and equity), depreciation, taxes other than income, operation and maintenance expense, and income taxes), and then annualized over the life of the Eligible Cost Allocation Project.

### **8.4.3 Increased Useful Available Transfer Capability ("ATC")**

Increased Useful ATC of an Enrolled Party is a Benefit to such Enrolled Party. The Increased Useful ATC of an Enrolled Party for an Eligible Cost Allocation Project is the increased annual revenue from sales at cost-based rates projected to be accrued by such Enrolled Party over the life of the Eligible Cost Allocation Project due to an increase in transmission capacity on such Enrolled Party's Transmission System, where such increase in transmission capacity is a direct result of such Eligible Cost Allocation Project. The increased annual revenue from sales includes both sales enabled on existing transmission facilities as a result of the Eligible Cost Allocation Project and sales revenue for sales on the Eligible Cost Allocation Project. The Qualified Sponsor(s)/Qualified Developer(s) of such Eligible Cost Allocation Project and other Enrolled Parties projected to receive increased sales revenue as a result of the Eligible Cost Allocation Project each may receive a Benefit.

## 8.5 Allocation of Total Project Cost to Enrolled Party Beneficiaries

The Cost Allocation Task Force is to identify the Enrolled Party Beneficiaries of each Eligible Cost Allocation Project, evaluate the Benefit-to-Cost Ratio of each Eligible Cost Allocation Project, and, if Benefit-to-Cost Ratio is satisfied, allocate Total Project Cost of each Eligible Cost Allocation Project to the Enrolled Party Beneficiaries of each Eligible Cost Allocation Project.

### 8.5.1 Identification of Enrolled Party Beneficiaries

For each Eligible Cost Allocation Project, the Cost Allocation Task Force is to identify the Enrolled Parties that have a Benefit pursuant to Sections 0, 0, and/or 0 directly attributable to such Eligible Cost Allocation Project (each Enrolled Party that has a Benefit is referred to as an “Enrolled Party Beneficiary”).

### 8.5.2 Evaluation of Benefit-to-Cost Ratio; Documentation in Draft Regional Transmission Plan

The Cost Allocation Task Force is to calculate the Benefit-to-Cost Ratio of each Eligible Cost Allocation Project by summing the Benefits (annualized) identified in Sections 0, 0, and 0 for all Enrolled Party Beneficiaries as determined in Section 0 and dividing that sum by the Annualized Cost of such Eligible Cost Allocation Project as determined in Section 0 or 0, as applicable. If the Benefit-to-Cost Ratio calculated for the Eligible Cost Allocation Project is greater than or equal to 1.25, such project is a “Preliminary Cost Allocation Project.” In the event the Benefit-to-Cost Ratio for the Eligible for Cost Allocation Project is less than 1.25, such project is no longer eligible for cost allocation. The Cost Allocation Task Force is to incorporate the results into the Draft Regional Transmission Plan and document the reasons for the decisions made.

#### Example 1: Application of Benefit-to-Cost Ratio (for illustrative purposes only)

Annualized Cost of Eligible Cost Allocation Project = \$100M

Beneficiary A’s Annualized Benefits = \$60M

Beneficiary B’s Annualized Benefits = \$50M

Beneficiary C’s Annualized Benefits = \$90M (Beneficiary C is the Sponsor)

Total benefits = \$200M

In this example, the Benefit-to-Cost Ratio exceeds 1.25 and, therefore, the Eligible Cost Allocation Project becomes classified as a “Preliminary Cost Allocation Project.”

### 8.5.3 Allocation of Total Project Cost to Enrolled Party Beneficiaries

The Cost Allocation Task Force is to calculate the allocation of the Total Project Cost of each Preliminary Cost Allocation Project to each Enrolled Party Beneficiary of such Preliminary Cost Allocation Project. Total Project Cost of each Preliminary Cost Allocation Project (less any

amount voluntarily accepted by a Person pursuant to Section 0) shall be allocated to each Enrolled Party Beneficiary of such Preliminary Cost Allocation Project based upon the Benefits (in dollars) applicable to each such Enrolled Party Beneficiary divided by the total Benefits (in dollars) applicable to all Enrolled Party Beneficiaries of such Preliminary Cost Allocation Project with that result multiplied by the Total Project Cost of the Preliminary Cost Allocation Project as expressed in the Formula 1 (the “Cost Allocation Methodology”). The Cost Allocation Task Force shall as soon as practical provide each Enrolled Party Beneficiary with the results from its application of the Cost Allocation Methodology for any Preliminary Cost Allocation Project.

**Formula 1: Allocation of Total Project Cost to Enrolled Party Beneficiaries**

$$D = (B/C)A$$

Where, for a Preliminary Cost Allocation Project:

“A” equals the Total Project Cost of the Preliminary Cost Allocation Project as determined in Section 0 (less any amount accepted by a Person pursuant to Section 0).

“B” equals the dollar amount of Benefits identified in Sections 0, 0, and 0, for a specific Enrolled Party Beneficiary.

“C” equals the dollar amount of the sum of Benefits calculated in Sections 0, 0, and 0, for all Enrolled Party Beneficiaries.

“D” equals the dollar amount of the Total Project Cost of the Preliminary Cost Allocation Project to be allocated to the specific Enrolled Party Beneficiary for which “B” applies.

This formula is to be applied to each Enrolled Party Beneficiary of the Preliminary Cost Allocation Project.

**Example 2: Allocation of Total Project Cost to Enrolled Party Beneficiaries (for illustrative purposes only)**

Example 2 builds upon the facts described in Example 1 above, and allocates the Preliminary Cost Allocation Project’s \$100M costs to each Enrolled Party Beneficiary as follows:

Enrolled Party Beneficiary A: (\$60M/\$200M) \$100M	=	\$30M
Enrolled Party Beneficiary B: (\$50M/\$200M) \$100M	=	\$25M
Enrolled Party Beneficiary C: (\$90M/\$200M) \$100M	=	<u>\$45M</u>
Total	=	\$100M

#### **8.5.4 Acceptance of Total Project Cost; Removal from Cost Allocation**

Upon receipt of the results of the Cost Allocation Task Force’s application of the Cost Allocation Methodology to a Sponsored Preliminary Cost Allocation Project pursuant to Section 0 and prior to the Cost Allocation Task Force transmitting its results to the Planning Committee for inclusion in the Draft Regional Transmission Plan, the Enrolled Parties shall have thirty (30) calendar days to arrange participant funding for the Preliminary Cost Allocation Project (the “Negotiation Period”). On or before the conclusion of the Negotiation Period, the Project Sponsor shall notify the Cost Allocation Task Force of its election to proceed based upon one of the following three options:

- a. Continue with Cost Allocation – whereby the Cost Allocation Task Force is to proceed with notifying the Planning Committee of the results of its cost allocation.
- b. Hybrid Allocation—whereby the Project Sponsor includes with its notice of election a writing signed by one or more Persons (excluding Beneficiaries) agreeing to accept a specific allocation of the Total Project Cost of a Preliminary Cost Allocation Project (“Voluntary Allocation”).
- c. Withdrawal —whereby the Project Sponsor voluntarily withdraws its request for cost allocation of the Preliminary Cost Allocation Project in the Planning Cycle.

In the event the “Continue with Cost Allocation” option is selected, the Cost Allocation Task Force shall provide the Planning Committee with the results of its cost allocation.

In the event the “Hybrid Allocation” option is selected, the Cost Allocation Task Force shall subtract the amount of Voluntary Allocation from the Total Project Cost of the Preliminary Cost Allocation Project. The Cost Allocation Task Force shall then allocate the remainder of the Total Project Cost of the Preliminary Cost Allocation Project to the Beneficiaries in accordance with the methodology set forth in Section 0 and provide the Planning Committee with the results of its cost allocation that takes into account the Voluntary Allocation.

In the event the “Withdrawal” option is selected, the Cost Allocation Task Force shall notify the Planning Committee that the Project Sponsor has withdrawn its request for cost allocation.

#### **8.5.5 Results from Cost Allocation Methodology; Documentation in Draft Final Regional Transmission Plan**

Unless a Preliminary Cost Allocation Project is removed from cost allocation consideration, the Cost Allocation Task Force is to select only Qualified Developer submitted Preliminary Cost



Allocation Projects submitted for purposes of cost allocation (“Cost Allocation Project”) and incorporate the results from its application of the Cost Allocation Methodology for such Cost Allocation Project in the Draft Final Regional Transmission Plan. The Cost Allocation Task Force is to post such results on the NorthernGrid Website and post notice of, and hold, a public meeting in accordance with the Cost Allocation Task Force Charter to review the results. The Cost Allocation Task Force will then incorporate and document any comments received and the analysis, rationale, and results associated with the Qualified Developer’s submitted Preliminary Cost Allocation Projects and the conclusion of any negotiation efforts, into the Draft Final Regional Transmission Plan and document the reasons for the decisions made.

## **8.6 Exclusions**

Projects undertaken in connection with requests for interconnection or transmission service under this Tariff will be governed solely by the provisions of the Tariff applicable to such requests for interconnection or transmission service.

## **9. Regional Transmission Plan**

### **9.1 Preparation and Posting of Draft Final Regional Transmission Plan**

The Enrolled Parties Planning Committee is to post a Draft Final Regional Transmission Plan by the end of the last September in the Planning Cycle. The Draft Final Regional Transmission Plan is to include:

- i. A list of each Cost Allocation Project along with the results of the application of the Cost Allocation Methodology for such Cost Allocation Project including identification of each Enrolled Party Beneficiary, the share of the Total Project Cost allocated to each such Enrolled Party Beneficiary, and the Benefits identified for each such Enrolled Party Beneficiary;
- ii. Whether, and, if so, the extent to which costs of any Cost Allocation Project were voluntarily assumed by any other Person;
- iii. A list of any ITP(s) for which joint evaluation has been requested; and
- iv. A list of any projects listed as Cost Allocation Projects in the prior Regional Transmission Plan that, in accordance with Section 0, will not be included in the current Regional Transmission Plan as a Cost Allocation Project.

### **9.2 Review and Comment; Consideration of Comments; Update Draft Final Regional Transmission Plan; Regional Transmission Plan**

Upon development of the Draft Final Regional Transmission Plan, the Enrolled Parties Planning Committee is to post the Draft Final Regional Transmission Plan on the NorthernGrid Website.

Thereafter, the Enrolled Parties Planning Committee is to schedule a public meeting to present the Draft Final Regional Transmission Plan and solicit comments from stakeholders and the Enrolled Parties and States Committee. NorthernGrid is to post the Draft Final Regional Transmission Plan and notice of the public meeting on the NorthernGrid Website at least seven (7) calendar days in advance of such meeting.

Stakeholders and the Enrolled Parties and States Committee have fifteen (15) calendar days following the meeting to submit written comments on the Draft Final Regional Transmission Plan. NorthernGrid is to:

- a. Post any written comments received;
- b. Post any responses to written comments within fifteen (15) calendar days after the comment period closes; provided that the Chair of the Enrolled Parties Planning Committee may extend the time for posting such responses to the extent necessary to allow time to adequately consider and respond;
- c. Make modifications in response to comments received, as the Enrolled Parties Planning Committee deems appropriate, to the Draft Final Regional Transmission Plan; and
- d. Cause the Final Regional Transmission Plan developed through the processes outlined in this Attachment K to be issued.

## **Part D. Interregional Coordination and Cost Allocation Process**

### **10. Interregional Coordination and Cost Allocation Process**

#### **10.1 Introduction**

This Section 0 of Attachment K sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order No. 1000 interregional provisions. NorthernGrid is to conduct the activities and processes set forth in this Section 0 of Attachment K in accordance with the provisions of this Section 0 of Attachment K and the other provisions of this Attachment K.

Nothing in this Section 0 of Attachment K will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

Any Interregional Cost Allocation regarding any ITP is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region.

References in this Section 0 of Attachment K to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order No. 1000.

#### **10.2 Annual Interregional Information Exchange**

Annually, prior to the Annual Interregional Coordination Meeting, NorthernGrid is to make available by posting on the NorthernGrid Website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs (Enrolled Party Needs) in NorthernGrid's Enrolled Region and Potential Solutions thereto:

- (i) Study Scope or underlying information that would typically be included in a Study Scope, such as:
  - a. Identification of base cases;
  - b. Planning study assumptions; and
  - c. Study methodologies.
- (ii) initial study reports (or system assessments); and
- (iii) Regional Transmission Plan.

(Collectively referred to as "Annual Interregional Information.")

NorthernGrid is to post its Annual Interregional Information on the NorthernGrid Website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process NorthernGrid's Annual Interregional Information. NorthernGrid may use, in its regional transmission planning process, the Annual Interregional Information provided by other Planning Regions.

NorthernGrid is not required to make available or otherwise provide to any other Planning Region: (i) any information not developed by NorthernGrid in the ordinary course of its regional transmission planning process; (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region; or (iii) any information if NorthernGrid reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement.

Annual Interregional Information made available or otherwise provided by NorthernGrid shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under NorthernGrid's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by NorthernGrid shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of NorthernGrid, Transmission Provider, or any entity supplying information in NorthernGrid's regional transmission planning process, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

### **10.3 Annual Interregional Coordination Meeting**

The NorthernGrid Enrolled Region is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. NorthernGrid is to host the Annual Interregional Coordination Meeting in turn with the other Planning Regions and is to seek to convene such meeting in February, but not later than March 31<sup>st</sup>. The Annual Interregional Coordination Meeting is to be open to stakeholders. NorthernGrid is to provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

1. Each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);
2. Identification and preliminary discussion of interregional solutions, including Conceptual Solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost-effectively or efficiently; and
3. Updates of the status of any ITP being evaluated or previously included in NorthernGrid's Regional Transmission Plan.

## **10.4 ITP Joint Evaluation Process**

### **10.4.1 Submission Requirements**

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section 0 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31 of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's regional transmission planning process. In addition to satisfying each Relevant Planning Region's information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

### **10.4.2 Joint Evaluation of an ITP**

For each ITP that meets the requirements of Section 0, the NorthernGrid Enrolled Region (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with Section 0 or the immediately following calendar year. With respect to any such ITP, the NorthernGrid Enrolled Region (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

- (vi) ITP data and projected ITP costs; and
- (vii) The study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of Section 0, the NorthernGrid Enrolled Region (if it is a Relevant Planning Region):

- a. Is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect NorthernGrid's evaluation of the ITP;
- b. Is to provide stakeholders an opportunity to participate in NorthernGrid's activities under this Section 0 in accordance with its regional transmission planning process;
- c. Is to notify the other Relevant Planning Regions if the NorthernGrid Enrolled Region determines that the ITP will not meet any of its regional transmission needs; thereafter the NorthernGrid Enrolled Region has no obligation under this Section 0 to participate in the joint evaluation of the ITP; and

- d. Is to process the ITP in accordance with its regional transmission planning process.

## **10.5 Interregional Cost Allocation Process**

### **10.5.1 Submission Requirements**

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with Section 0, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from the NorthernGrid Enrolled Region and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

### **10.5.2 Interregional Cost Allocation Process**

For each ITP that meets the requirements of Section 0, the NorthernGrid Enrolled Region (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

- (i) Assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;
- (ii) the NorthernGrid Enrolled Region's regional benefits stated in dollars resulting from the ITP, if any; and
- (iii) Assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to Section 0 ) to each Relevant Planning Region using the methodology described in this Section 0.

For each ITP that meets the requirements of Section 0, the NorthernGrid Enrolled Region (if it is a Relevant Planning Region):

- a. Is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect NorthernGrid's analysis;
- b. Is to provide stakeholders an opportunity to participate in NorthernGrid's activities under this Section 0 in accordance with its regional transmission planning process;
- c. Is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in the NorthernGrid Enrolled Region, NorthernGrid is

to use its regional cost allocation methodology, as applied to ITPs;

- d. Is to calculate its assigned pro rata share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;
- e. Is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its Regional Transmission Plan for purposes of Interregional Cost Allocation; the NorthernGrid Enrolled Region may use such information to identify its total share of the projected costs of the ITP to be assigned to the NorthernGrid Enrolled Region in order to determine whether the ITP is a more efficient or cost-effective solution to a transmission need in the NorthernGrid Enrolled Region;
- f. Is to determine whether to select the ITP in its Regional Transmission Plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and
- g. Is to endeavor to perform its Interregional Cost Allocation activities pursuant to this Section 0 in the same general time frame as its joint evaluation activities pursuant to Section 0.

## **10.6 Application of Regional Cost Allocation Methodology to Selected ITP**

### **10.6.1 Selection by All Relevant Planning Regions**

If the NorthernGrid Enrolled Region (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, the NorthernGrid Enrolled Region is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections 0 (d) or 0(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

### **10.6.2 Selection by at Least Two but Fewer than All Relevant Planning Regions**

If the NorthernGrid Enrolled Region (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, NorthernGrid is to evaluate (or reevaluate, as the case may be) pursuant to Sections 0 (d), 0 (e), and 0 (f) above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected

(or remains selected, as the case may be) in its Regional Transmission Plan for purposes of Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective Regional Transmission Plans of the NorthernGrid Enrolled Region and at least one other Relevant Planning Region, the NorthernGrid Enrolled Region is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections 0 (d) or 0 (e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

## **11. ITPs, Joint Evaluation, and Interregional Cost Allocation**

### **11.1 Introduction**

This Section 0 of Attachment K only applies to ITPs for which the NorthernGrid Enrolled Region is a Relevant Planning Region and does not apply to any ITP for which the NorthernGrid Enrolled Region is not a Relevant Planning Region.

### **11.2 Entities That May Submit an ITP for Joint Evaluation**

Any Person that seeks to submit an ITP for joint evaluation pursuant to Sections 0 and 0 of this Attachment K must submit the ITP into the NorthernGrid Enrolled Region's regional transmission planning process in accordance with Section 0 of this Attachment K, and must submit the ITP into the planning process of all Relevant Planning Regions.

### **11.3 Confirmation from Relevant Planning Regions**

NorthernGrid is to seek to confirm with each other Relevant Planning Region that such Enrolled Party or ITP Proponent has submitted such ITP for evaluation into the regional transmission planning process of each other Relevant Planning Region in accordance with the regional transmission planning process of such Relevant Planning Region(s). In the event that NorthernGrid is unable to confirm that the Enrolled Party or ITP Proponent has submitted its ITP for evaluation into the regional transmission planning process of each other Relevant Planning Region in accordance with the regional transmission planning process of such Relevant Planning Region(s), NorthernGrid is to notify the ITP Proponent in writing, and the ITP Proponent is to have thirty (30) calendar days from the date of such notice to provide NorthernGrid evidence, reasonably acceptable to NorthernGrid, that the ITP Proponent has timely submitted its ITP for evaluation to each other Relevant Planning Region(s). If an ITP Proponent fails to provide such evidence, the ITP Proponent's ITP is to be deemed withdrawn.

### **11.4 Submit ITP Information**

Prior to commencing the joint evaluation of an ITP pursuant to Sections 0 and 0 of this Attachment K, an ITP Proponent that is seeking such evaluation of an ITP is to submit to the



NorthernGrid Enrolled Region information in accordance with Section 0 of this Attachment K, which is, to the extent permitted by law, to include a copy of all ITP data being submitted by the ITP Proponent to any of the other Relevant Planning Regions for such ITP.

### **11.5 Joint Evaluation Implementation**

For purposes of the NorthernGrid Enrolled Region's evaluation of an ITP pursuant to Sections 0 and 0 of this Attachment K, evaluation of such ITP is to be through the NorthernGrid Enrolled Region's transmission planning processes as set forth in this Attachment K.

### **11.6 Interregional Cost Allocation Process**

For each ITP that meets the requirements of Sections 0 and 0, the NorthernGrid Enrolled Region (if and so long as it is a Relevant Planning Region) is to:

- (i) Pursuant to item (c) of Section 0 of this Attachment K, determine the amount, if any, of Regional Benefits for Purposes of Interregional Cost Allocation resulting from such ITP;
- (ii) Pursuant to item (ii) of Section 0 of this Attachment K, notify each of the other Relevant Planning Regions with respect to such ITP of the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP so determined;
- (iii) Pursuant to item (d) of Section 0, calculate the NorthernGrid Enrolled Region's assigned *pro rata* share of the projected costs of such ITP (such share is also referred to as "Assigned Regional Costs from Interregional Cost Allocation"), which share is to be equal to the product of the projected costs of such ITP multiplied by a fraction, the numerator of which is to be the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and the denominator of which is to be the sum of (a) the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and (b) the sum of the regional benefits of each other Relevant Planning Region as calculated with respect to such ITP by such other Relevant Planning Region in accordance with its regional transmission planning process and provided to the NorthernGrid Enrolled Region by such other Relevant Planning Region;
- (iv) If an ITP is identified as an Eligible Cost Allocation Project pursuant to Section 0, NorthernGrid's Cost Allocation Task Force is to proceed with the cost allocation analysis described in Section 0. Pursuant to item (e) of Section 0 of this Attachment K, NorthernGrid is to share the above determination with the other Relevant Planning Regions with regard to such ITP; and

- (v) If NorthernGrid receives information pursuant to item (e) of Section 0 of Attachment K from one or more other Relevant Planning Regions regarding what such Relevant Planning Region's regional cost allocation would be if it were to select the ITP in its Regional Transmission Plan for purposes of Interregional Cost Allocation and what, if any, additional amount of projected project costs of such ITP its methodology would be attributable to the NorthernGrid Enrolled Region, the NorthernGrid Enrolled Region may use such information to identify an additional amount of projected costs of the ITP to be assigned to the NorthernGrid Enrolled Region if such additional amount is properly allocable to an Beneficiary(ies) as an owner(s) or operator(s) of such ITP (any such additional, properly allocable, amount is also referred to as "Additional Regional Costs from Interregional Cost Allocation").

## **Part E. Economic Study Request**

### **12. Economic Study Requests**

#### **12.1 Performance of Economic Studies**

##### **12.1.1 Regional**

NorthernGrid, in coordination with Enrolled Parties and the Enrolled Parties Planning Committee, is to perform in accordance with this Part E of this Attachment K economic studies pursuant to requests submitted by stakeholders in accordance with Section 0 of this Attachment K related to conditions within the Enrolled Party Region.

##### **12.2.2 Local**

Transmission Provider, in accordance with this Part E of this Attachment K, is to perform economic studies pursuant to requests submitted by stakeholders in accordance with Section 0 of this Attachment K related to conditions within the Transmission Provider's Transmission System.

#### **12.2 Stakeholder Requests to Perform an Economic Study**

##### **12.2.1 Regional**

A stakeholder, which includes Enrolled Parties, may request that NorthernGrid initiate a study to examine scenarios where potential transmission solutions or investments could result in:

- a. a net reduction in total production cost to supply system load;
- b. reduced congestion; or
- c. the integration of new resources and/or loads on an aggregate or regional basis (a "Regional Economic Study").

##### **12.2.2 Local**

A stakeholder may request that Transmission Provider initiate a study related to conditions within the Transmission Provider's Transmission System to examine scenarios where potential transmission solutions or investments could result in:

- a. a net reduction in total production cost to supply system load;
- b. reduced congestion; or
- c. the integration of new resources and/or loads on an aggregate basis (a "Local Economic Study").

### **12.2.3 Study Characteristics**

Any economic study performed must focus on evaluating high-level metrics depicting various possible future scenarios of expanding the power system and quantifying the advantages and disadvantages associated with each scenario. Any Economic Study Request that seeks to focus on the performance of individual assets shall not be performed.

### **12.2.4 Study Report**

A Regional Economic Study is documented in a stand-alone report that is separate from the Regional Transmission Plan. A Local Economic Study is documented in a stand-alone report that is separate from the Local Transmission Plan and the Regional Transmission Plan.

## **12.3 Submission, Consideration and Prioritization of Economic Study Requests**

Requests for a Regional Economic Study or a Local Economic Study shall be submitted, considered and prioritized as follows:

- a. Between January 1 and March 31 each year, a stakeholder may submit a Regional Economic Study request to NorthernGrid through the NorthernGrid Website, and a stakeholder may submit a Local Economic Study request to the Transmission Provider at the below address:

Puget Sound Energy  
Attn: Manager, Transmission Policy and Contracts

Email: [TransmissionContractsManager@pse.com](mailto:TransmissionContractsManager@pse.com)

- b. Any Economic Study Request must describe the information to be evaluated and include information known by the requester that is relevant to the requested study.
- c. The Enrolled Parties Planning Committee, in the context of a request for a Regional Economic Study, is to develop a rough work scope and cost estimate for all requested Regional Economic Studies and develop a preliminary prioritization or a recommendation to cluster, based on the Enrolled Parties Planning Committee's perceived regional benefits, to assist in the prioritization of Regional Economic Study requests. The Transmission Provider, in the context of a request for a Local Economic Study, is to develop a rough work scope and cost estimate for all requested Local Economic Studies associated with the Transmission Provider, and develop preliminary prioritization based on the Transmission Provider's perceived local benefits, to assist in the prioritization of Local Economic Study requests, which may include clustering, if appropriate.

- d. By no later than June 1 of each year, NorthernGrid is to hold a meeting of the Enrolled Parties Planning Committee for the members of the Enrolled Parties Planning Committee to discuss, identify, and prioritize, up to one (1) Regional Economic Study to be performed in a given year by NorthernGrid, and at no cost to the requestor, taking into consideration its impact on the NorthernGrid budget and other priorities. By no later than June 1 of each year, Transmission Provider receiving a Local Economic Study Request is to identify and prioritize, up to one (1) Local Economic Study to be performed in a given year by the Transmission Provider, at no cost to the requestor, taking into consideration the impact of performing such study on the Transmission Provider's budget and its other priorities. Regional Economic Studies and Local Economic Studies are intended to be completed by calendar year-end.
- e. The Enrolled Parties Planning Committee in the context of a Regional Economic Study or the Transmission Provider in the context of a Local Economic Study may respectively agree to hold additional meetings to further discuss and resolve any issue concerning the substance of the Regional Economic Studies or Local Economic Studies themselves and/or their prioritization.
- f. The Enrolled Parties Planning Committee is to publish a notice on the NorthernGrid Website detailing the prioritization of the Regional Economic Studies. The Transmission Provider is to publish a notice on its OASIS detailing the prioritization of Local Economic Studies.

The foregoing timelines are subject to adjustment as determined by the Enrolled Parties Planning Committee in the context of Regional Economic Studies or the Transmission Provider in the context of Local Economic Studies.

Any study proponent may request and pay for NorthernGrid to perform a Regional Economic Study beyond the one Regional Economic Study per year identified in Section 0(d), and any study proponent may request and pay for the Transmission Provider to perform a Local Economic Study beyond the one Local Economic Study per year identified in Section 0(d).

## **12.4 Support for the Preparation of Economic Studies**

### **12.4.1 Regional**

For the development of each Regional Economic Study, the Enrolled Parties Planning Committee is to coordinate with the Enrolled Parties to support NorthernGrid's performance of any economic study. To facilitate this support, NorthernGrid is to post on the NorthernGrid Website the models, files, cases, contingencies, assumptions, and other information used to perform an economic study. NorthernGrid may establish requirements that any Enrolled Party or member of the Enrolled Parties Planning Committee must satisfy in order to access certain information used to perform the economic study, due to CEII constraints. NorthernGrid may ask Enrolled Parties or Enrolled Parties Planning Committee members with special

expertise to provide technical support or perform studies required to assess one or more potential needs that will be considered in the Regional Economic Study process. NorthernGrid is to convene meetings open to any representative of an entity that is a member of the Enrolled Parties Planning Committee to facilitate input on draft Regional Economic Studies.

#### **12.4.2 Local**

For the development of a Local Economic Study, the Transmission Provider is to post on its OASIS the models, files, cases, contingencies, assumptions, and other information used to perform the Local Economic Study. The Transmission Provider may establish requirements that must be satisfied in order to access certain information used to perform the Local Economic Study, due to CEII constraints.

#### **12.5 Publication of Economic Study Report**

The Enrolled Parties Planning Committee is to post its Regional Economic Study reports on the NorthernGrid Website, subject to CEII constraints. Transmission Provider is to post its Local Economic Study reports on its OASIS, subject to CEII constraints. Economic Studies containing CEII will be posted as password-protected documents.

## **Part F. DISPUTE RESOLUTION**

### **13. Dispute Resolution.**

#### **13.1 Scope**

Transmission Provider and Any Enrolled Party, Non-Incumbent Transmission Developer, ITP Proponent, Merchant Transmission Developer, Transmission Customer, or stakeholder that participates in the local or regional planning processes outlined in this Attachment K shall utilize the dispute resolution process set forth in this Section 13 to resolve procedural and substantive disputes related thereto.

#### **13.2 Process**

The following dispute resolution process shall be followed, in an effort to resolve all disputes related to this Attachment K:

- Step 1 – The disputing entity shall provide prompt written notice of the dispute to the chairs of the Enrolled Parties Planning Committee; or to the Transmission Provider, in the case of a dispute regarding the Local Planning Process in Section 2 by submitting a completed Dispute Resolution form, which is available on the NorthernGrid Website, in accordance with the instructions contained on the form.
- Step 2 – An executive representative from the disputing entity shall participate in good faith negotiations with the chairs the Enrolled Parties Planning Committee; or an executive representative from the Transmission Provider, in the case of a dispute regarding the Local Planning Process in Section 2 to resolve the dispute as promptly as practicable. In the event the executive representative and the chairs or Transmission Provider executive representative are unable to resolve the dispute by mutual agreement within thirty (30) calendar days of the written notice of dispute, or such other period as the parties may mutually agree upon, the parties shall proceed to Step 3.
- Step 3 – In furtherance of efforts to resolve the dispute the parties may utilize an agreed-upon third-party, or the Commission’s dispute resolution service, to facilitate mediation to resolve the dispute. If the dispute remains unresolved after Step 3, the disputing entity shall proceed to Step 4.
- Step 4 – As a last resort, the disputing entity may invoke the arbitration procedures set out in Article 12 of the *pro forma* Open Access Transmission Tariff to resolve the dispute.

### **13.3 Timeliness**

To facilitate the timely completion of the Local Transmission Plan and the Regional Transmission Plan, disputes over any matter shall be raised timely; provided, however, in no case shall a dispute under this Section 13 be raised more than 30 calendar days after a decision is made in the study process or the posting of a document, whichever is earlier. Except to the extent that a binding arbitration decision has been rendered pursuant to Step 4 above, nothing contained in this Section 13 shall restrict the rights of any entity to file a complaint with the Commission under relevant provisions of the Federal Power Act.

**ATTACHMENT K EXHIBITS FOLLOW**



## **Exhibit A**

### Cost Allocation Task Force Charter

**NORTHERNGRID**

**COST ALLOCATION TASK FORCE**

**CHARTER**

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# **COST ALLOCATION TASK FORCE CHARTER**

**OF**

**NORTHERNGRID**

(An Unincorporated Association)

This document sets forth the charter of the NorthernGrid Cost Allocation Task Force (“Taskforce”).

## **ARTICLE 1. PURPOSE AND LIMITATIONS**

**1.1 Purpose.** The Taskforce is convened by the Enrolled Parties and States Committee. The Taskforce’s function is to carry out the responsibilities assigned to the Taskforce in the Regional Planning section of the Enrolled Parties’ Attachment K of the Open Access Transmission Tariffs (“Attachment K”). Capitalized terms that are not otherwise defined and that are used in this charter have the same meaning as in the Attachment K. The Taskforce shall act in accordance with the Attachment K, this charter, and applicable legal and regulatory requirements.

**1.2 Limitations.** The Taskforce does not have the authority to amend, alter or repeal any Attachment K. Nothing in this charter shall prevent any TF Participant appointed to this Taskforce, as defined in Section 2.1, from acting in accordance with any legal requirement.

**1.3 Confidential Information.** Any confidential information is to be treated in accordance with Attachment K or other applicable confidentiality agreements.

## **ARTICLE 2. PARTICIPATION**

**2.1 Taskforce.** The Taskforce is composed of individuals (each, a “TF Participant”) appointed by Enrolled Parties and States to perform the work assigned to the Taskforce. Enrolled Parties are entities that are identified in the list of Enrolled Parties in Attachment K. States are states in which any Enrolled Party provides retail load service.

**2.2 Appointment of TF Participants (TF Participant list).** Each Enrolled Party may appoint one (1) TF Participant to the Taskforce. Each State may appoint one (1) TF Participant to the Taskforce. Each Enrolled Party and each State may appoint a TF Participant or change its TF Participant at any time; provided, however, a TF Participant must be appointed at least one (1) business day in advance of a meeting for that person to be eligible to participate in decision making at the meeting. Enrolled Parties and States are encouraged to appoint TF Participants with appropriate skillsets. Notices of appointment and contact information for each TF Participant shall be submitted through the NorthernGrid Website, [www.northerngrid.net](http://www.northerngrid.net). Each Enrolled Party and State should appoint its TF Participant in the first January of each Planning Cycle to enable the Taskforce to begin work promptly when required.

**2.3 Eligibility to Make Decisions.** Only the TF Participants of Enrolled Parties and States appointed to the Taskforce are eligible to make decisions on matters before the Taskforce.

**2.4 TF Participant Disclaimer.** Actions or positions taken or not taken by a TF Participant appointed by a State through this Taskforce do not constitute a prejudgment of any issue in any proceeding at any time before any agency of that TF Participant’s State.

**2.5 No Compensation from NorthernGrid.** TF Participants shall not receive compensation or reimbursement of expenses from NorthernGrid; rather, a TF Participant may be compensated or reimbursed by his or her appointing Enrolled Party or State.

## **ARTICLE 3. MEETINGS**

**3.1 Meetings; Notice.** Meetings held by the Taskforce are open to stakeholder participation; provided, however, that attendance may be restricted at a meeting to the extent necessary to address non-public information, critical energy infrastructure information, or other legal or regulatory requirements. Stakeholders may provide comments during the meetings or within seven days of the meeting. The Taskforce shall convene at such times and locations as the Taskforce shall from time-to-time establish. Notice of all meetings shall be emailed by the chair to all TF Participants at least seven days before the meeting. Notice of a meeting shall also be posted on NorthernGrid’s Website stating the date, time, and location at least seven days before the meeting.

**3.2 Procedure.** The chair shall establish the agenda for all meetings.

**3.3 Quorum.** To make a decision, a quorum of 75% of the TF Participants appointed to the Taskforce by the Enrolled Parties (see Section 2.2) must be present at the meeting at which a decision is to be made.

**3.4 Decision Making.** Except as set forth in Section 4.1, a Taskforce decision is valid if 75% of the TF Participants present at the meeting approve.

**3.5 Remote Participation.** TF Participants may participate in Taskforce meetings by means of communications equipment where all persons may participate and be heard. Participation by such means constitutes presence at the meeting.

## **ARTICLE 4. CHAIR**

**4.1 Election of Chair.** The Taskforce shall be managed by a chair. At the first meeting of the Taskforce convened by the Enrolled Parties and States Committee in a Planning Cycle or following a resignation, the TF Participants shall elect a chair from the TF Participants appointed by an Enrolled Party. This decision shall be by majority vote of the TF Participants that are present at the meeting in which the decision is made.

**4.2 Resignation.** The chair may resign at any time by giving written notice to the Taskforce. Any resignation shall take effect on the date and time specified by that notice. The acceptance of the resignation is not necessary to make it effective. The resignation of a position as chair does not itself remove that TF Participant from the Taskforce.

## **ARTICLE 5. MISCELLANEOUS**

**5.1 Amendments.** This charter may be amended in whole or in part by the Enrolled Parties. Periodically, the Taskforce should review this charter and may propose changes to this charter to the Enrolled Parties. All amendments to this charter shall be set forth in writing and effective upon approval by the Enrolled Parties or such other date as may be set by the Federal Energy Regulatory Commission.

## **Exhibit B**

### Enrolled Parties Planning Committee Charter

**NORTHERNGRID**

**ENROLLED PARTIES PLANNING COMMITTEE**

**CHARTER**



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# ENROLLED PARTIES PLANNING COMMITTEE CHARTER

OF

NORTHERNGRID

(An Unincorporated Association)

This document sets forth the charter of the NorthernGrid Enrolled Parties Planning Committee (“Committee”).

## ARTICLE 1. PURPOSE AND LIMITATIONS

**1.1 Purpose.** The Committee, made up of representatives appointed pursuant to Section 3.2 below and the co-chairs of the Enrolled Parties and States Committee, shall carry out the responsibilities assigned to the Committee in the Regional Planning section of the Enrolled Parties’ Attachment K of the Open Access Transmission Tariffs (“Attachment K”). Capitalized terms that are not otherwise defined and that are used in this charter have the same meaning as in the Attachment K. The Committee shall act in accordance with the Attachment K, this charter, and applicable legal and regulatory requirements. The Committee operates independently of any other NorthernGrid committee.

**1.2 Limitations.** The Committee does not have the authority to amend, alter or repeal any Attachment K. Nothing in this charter shall prevent any representative appointed to this Committee from acting in accordance with any legal requirement.

**1.3 Confidential Information.** Any confidential information is to be treated in accordance with Attachment K or other applicable confidentiality agreements.

## **ARTICLE 2. PARTICIPATION**

**2.1 Participants.** The Committee is composed of representatives of the Enrolled Parties, and the co-chairs of the Enrolled Parties and States Committee.

**2.2 Definition.** Enrolled Parties are entities that are identified in the list of Enrolled Parties in Attachment K.

**2.3 Stakeholder Participation; Eligibility to Vote.** Any stakeholder may participate in Committee meetings. However, only the representatives (or, consistent with Sections 3.3 and 3.4, the applicable alternate) of Enrolled Parties appointed to the Committee, and the co-chairs of the Enrolled Parties and States Committee are eligible to vote on matters before the Committee.

## **ARTICLE 3. REPRESENTATIVES**

**3.1 General Powers.** The business and affairs of the Committee shall be carried out through representatives appointed to the Committee in accordance with Section 3.2, and the co-chairs of the Enrolled Parties and States Committee. The co-chairs of the Enrolled Parties and States Committee participate in this Committee as representatives of the Enrolled Parties and States Committee. The Committee's functions are to carry out the purpose as set forth in Section 1.1.

**3.2 Appointment of Representatives or Alternates.** Each Enrolled Party may appoint one (1) representative and one (1) alternate to the Committee. Each Enrolled Party may appoint the individuals they choose as representative(s) or alternate(s), but it is contemplated that individuals appointed would have skills or roles relevant to the work of this Committee. An Enrolled Party may appoint and/or change its own representative(s) or alternate(s) at any time; provided, however, a representative or alternate must be appointed at least one (1) business day in advance of a meeting for that person to be eligible to participate in decision making at the meeting.

**3.3 Identification of Committee Members.** Notices of appointment and contact information for each representative and alternate shall be submitted through the NorthernGrid Website, [www.northerngrid.net](http://www.northerngrid.net). A list of each representative and alternate and their contact information shall be maintained on the NorthernGrid Website. Contact information of the co-chairs of the Enrolled Parties and States Committee is to be found on the NorthernGrid Website. If an entity ceases to be an Enrolled Party, that entity's previously appointed representative and alternate shall no longer be on the Committee.

**3.4 Alternates.** Except as provided in Section 5.1 as to eligibility for election as a chair, all references in this charter to a representative include his or her alternate acting when that representative is absent. For clarity, whenever a given representative is absent, the alternate appointed by the applicable entity for that position may act and has all authority, and the alternate is considered as the representative for all purposes of that meeting (including establishing a quorum), or any actions taken or considered at such meeting; provided however, when the person appointed as representative is present, the alternate for that representative has no role or authority.

**3.5 Authority.** An appointed representative has authority to act on this Committee on behalf of his or her appointing Enrolled Party.

**3.6 Representative Disclaimer.** Actions or positions taken or not taken by a representative of a state through this Committee do not constitute a prejudgment of any issue in any proceeding at any time before any agency of that representative's state.

**3.7 Non-Attendance.** If neither a given representative, nor his or her alternate, attends three (3) consecutive meetings, that position no longer counts for purposes of establishing a quorum on this Committee. At such time as the representative or a newly appointed representative attends a meeting, that position again counts for purposes of establishing a quorum.

**3.8 No Compensation from NorthernGrid.** Representatives and the co-chairs of the Enrolled Parties and States Committee shall not receive compensation or reimbursement of expenses from NorthernGrid.

## **ARTICLE 4. REPRESENTATIVE MEETINGS**

**4.1 Open Meetings and Limitations.** Public meetings held by the Committee are open to stakeholder participation; provided, however, that attendance may be restricted at a meeting to the extent necessary to address non-public information, critical energy infrastructure information, or other legal or regulatory requirements.

**4.2 Regular Meetings; Notice and Minutes.** The Committee shall hold regular meetings at such times and locations as the Committee shall from time-to-time establish. The schedule of such meetings will be posted on NorthernGrid's Website stating dates, times, and locations. Special meetings of the Committee may be called at any time by the chair. Notice of all meetings shall be transmitted by email by or on behalf of the chair to all representatives and alternates and the co-chairs of the Enrolled Parties and States Committee not

less than seven (7) calendar days before each meeting. Notice shall also be posted on NorthernGrid's Website, and contain the date, time and location of the special meeting. Meeting materials, if any, shall be posted on the NorthernGrid Website prior to meeting. The chair shall cause minutes, including a list of attendees, of each meeting held pursuant to this section to be taken and posted on NorthernGrid's Website.

**4.3 Other Sessions.** The chair may convene non-public sessions as may be necessary or as requested by any representative or the co-chairs of the Enrolled Parties and States Committee. Notice of any separate non-public meetings shall be transmitted via email by or on behalf of the chair to all representatives and alternates and the co-chairs of the Enrolled Parties and States Committee not less than seven (7) calendar days before each such meeting. Notice shall also be posted on NorthernGrid's Website, and contain the date, time and location of the non-public meeting.

**4.4 Procedure.** The chair shall establish the agenda for all meetings.

**4.5 Representative List.** The chair shall update and post the representative list including appointed alternates on the NorthernGrid's Website one (1) business day in advance of each meeting, and the updated list will be used to determine the persons whose presence (in any approved manner) will be counted for establishing a quorum at that upcoming meeting.

**4.6 Quorum.** Subject to the provisions of Section 3.7, seventy-five percent (75%) of the representatives and the co-chairs of the Enrolled Parties and States Committee must participate in a meeting for a decision to occur at the meeting.

**4.7 Decision Making.** Except as provided for in Article 5, at any meeting of the Committee at which a quorum is achieved, any business under the Committee's authority may be transacted, and the Committee may exercise all of its powers. The Committee shall strive to make its decisions by consensus. A representative or either of the co-chairs of the Enrolled Parties and States Committee may request that a vote be conducted, however, and, once requested, a vote shall be taken. Except as provided for in Article 5, if a vote is required, the affirmative vote of seventy-five percent (75%) of the individuals in attendance (the representatives and the co-chairs of the Enrolled Parties and States Committee) is required to act at a meeting.

**4.8 Remote Participation.** Representatives and the co-chairs of the Enrolled Parties and States Committee may participate in Committee meetings by means of communications equipment where all persons may participate and be heard. Participation by such means constitutes presence at the meeting.

## **ARTICLE 5. CHAIR**

**5.1 Officer, Election, and Term.** The officer of the Committee shall be the chair. On a biannual basis coinciding with the first meeting of the Committee in an even-numbered calendar year, the Enrolled Parties shall elect, by majority vote, from among the Enrolled Party representatives a chair. Chair term is for two (2) years.

**5.2 Chairs.** The chair shall preside at all meetings of the Committee. The chair shall otherwise perform the other duties usually inherent in such office. The chair may appoint an acting chair when not able to attend a meeting. The appointment of an acting chair does not create a vacancy.

**5.3 Removal.** The Committee, acting as a whole, may remove the chair whenever a quorum as defined in Section 4.6 exists and, by an affirmative vote as defined in Section 4.7, it is decided that removal will serve the best interests of the Committee.

**5.4 Resignation.** The chair may resign from the chair position at any time by giving written notice to the Committee. Any resignation shall take effect on the date and time specified by that notice. The acceptance of the resignation is not necessary to make it effective. The resignation of a position as chair does not itself remove that representative from the Committee.

**5.5 Vacancies.** Vacancies in the chair arising from any cause shall be filled by the Enrolled Party representatives, at the next meeting by a majority vote as provided in Section 5.1. The newly appointed chair will complete the vacancy term.

## **ARTICLE 6. MISCELLANEOUS**

**6.1 Dispute Resolution.** Disputes shall be subject to the dispute resolution process outlined in Attachment K.

**6.2 Amendments.** This charter may be amended in whole or in part by the Enrolled Parties. Periodically, the Committee should review this charter and may propose changes to this charter to the Enrolled Parties. All amendments to this charter shall be set forth in writing and effective upon approval by the Enrolled Parties or such other date as may be set by the Federal Energy Regulatory Commission.

## **Exhibit C**

Enrolled Parties and States Committee Charter

**NORTHERNGRID**

**ENROLLED PARTIES AND STATES COMMITTEE**

**CHARTER**



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# ENROLLED PARTIES AND STATES COMMITTEE CHARTER

OF

NORTHERNGRID

(An Unincorporated Association)

This document sets forth the charter of the NorthernGrid Enrolled Parties and States Committee (“Committee”).

## ARTICLE 1. PURPOSE AND LIMITATIONS

**1.1 Purpose.** The Committee, made up of representatives appointed pursuant to Section 3.2 below, shall carry out the responsibilities assigned to the Committee in the Regional Planning section of the Enrolled Parties’ Attachment K of the Open Access Transmission Tariffs (“Attachment K”). Capitalized terms that are not otherwise defined and that are used in this charter have the same meaning as in the Attachment K. The Committee shall act in accordance with the Attachment K, this charter, and applicable legal and regulatory requirements. The Committee operates independently of any other NorthernGrid committee.

**1.2 Limitations.** The Committee does not have the authority to amend, alter or repeal any Attachment K. Nothing in this charter shall prevent any representative appointed to this Committee from acting in accordance with any legal requirement.

**1.3 Confidential Information.** Any confidential information is to be treated in accordance with Attachment K or other applicable confidentiality agreements.

## ARTICLE 2. PARTICIPATION

**2.1 Participant Classes.** The Committee is composed of representatives of two classes, Enrolled Parties and States.

**2.2 Definition of Classes.** Enrolled Parties are entities that are identified in the list of Enrolled Parties in Attachment K. States are states in which any Enrolled Party provides retail load service.

**2.3 Stakeholder Participation; Eligibility to Vote.** Any stakeholder may participate in Committee meetings. However, only the representatives (or, consistent with Sections 3.3 and 3.4, the applicable alternate) of Enrolled Parties and States appointed to the Committee are eligible to vote on matters before the Committee.

## **ARTICLE 3. REPRESENTATIVES**

**3.1 General Powers.** The business and affairs of the Committee shall be carried out through representatives appointed to the Committee in accordance with Section 3.2. The Committee's functions are to carry out the purpose as set forth in Section 1.1.

**3.2 Appointment of Representatives or Alternates.** Each Enrolled Party may appoint one (1) representative and one (1) alternate to the Committee. Each State may appoint up to two (2) representatives and one (1) alternate for each representative so appointed by that State. Each Enrolled Party or State may appoint the individuals they choose as representative(s) or alternate(s), but it is contemplated that individuals appointed would have skills or roles relevant to the work of this Committee. As examples, Enrolled Parties might appoint individuals with roles in transmission planning; States might appoint individuals from agencies such as state utility commissions, state customer advocates, or state transmission siting agencies. An Enrolled Party or State may appoint and/or change its own representative(s) or alternate(s) at any time; provided, however, a representative or alternate must be appointed at least one (1) business day in advance of a meeting for that person to be eligible to participate in decision making at the meeting. Notices of appointment and contact information for each representative and alternate shall be submitted through the NorthernGrid Website, [www.northerngrid.net](http://www.northerngrid.net). A list of each representative and alternate and their contact information shall be maintained on the NorthernGrid Website. If an entity ceases to be an Enrolled Party, that entity's previously appointed representative and alternate shall no longer be on the Committee.

**3.3 Alternates.** Except as provided in Section 5.1 as to eligibility for election as a co-chair, all references in this charter to a representative include his or her alternate acting when that representative is absent. For clarity, whenever a given representative is absent, the alternate appointed by the applicable entity for that position may act and has all authority, and the alternate is considered as the representative for all purposes of that meeting (including establishing a quorum), or any actions taken or considered at such meeting; provided however,

when the person appointed as representative is present, the alternate for that representative has no role or authority.

**3.4 Authority.** An appointed representative has authority to act on this Committee on behalf of his or her appointing Enrolled Party or State.

**3.5 Representative Disclaimer.** Actions or positions taken or not taken by a representative of a State through this Committee do not constitute a prejudgment of any issue in any proceeding at any time before any agency of that representative's State.

**3.6 Non-Attendance.** If neither a given representative, nor his or her alternate, attends three (3) consecutive meetings, that position no longer counts for purposes of establishing a quorum on this Committee. At such time as the representative or a newly appointed representative attends a meeting, that position again counts for purposes of establishing a quorum.

**3.7 No Compensation from NorthernGrid.** Representatives shall not receive compensation or reimbursement of expenses from NorthernGrid; rather, a representative may be compensated or reimbursed by his or her appointing Enrolled Party or State.

## **ARTICLE 4. REPRESENTATIVE MEETINGS**

**4.1 Open Meetings and Limitations.** Public meetings held by the Committee are open to stakeholder participation; provided, however, that attendance may be restricted at a meeting to the extent necessary to address non-public information, critical energy infrastructure information, or other legal or regulatory requirements.

**4.2 Regular Meetings; Notice and Minutes.** The Committee shall hold regular meetings at such times and locations as the Committee shall from time-to-time establish. The schedule of such meetings will be posted on NorthernGrid's Website stating dates, times, and locations. Special meetings of the Committee may be called at any time by the co-chairs. Notice of all meetings shall be transmitted by or on behalf of the co-chairs to all representatives and alternates not less than seven (7) calendar days before each meeting. Such notice shall be transmitted by email to the representatives and alternates and posted on NorthernGrid's Website, and contain the date, time and location of the special meeting. Meeting materials, if any, shall be posted on the NorthernGrid Website prior to meeting. The co-chairs shall cause minutes, including a list of attendees, of each meeting held pursuant to this section to be taken and posted on NorthernGrid's Website.

**4.3 Other Sessions.** The co-chairs may convene non-public sessions as may be necessary or as requested by any representative. Notice of any separate non-public meetings shall be transmitted via email by or on behalf of the co-chairs to all representatives and alternates not less than seven (7) calendar days before each such meeting. Such notice shall also be posted on NorthernGrid's Website, and contain the date, time and location of the non-public meeting.

**4.4 Procedure.** The co-chairs shall establish the agenda for all meetings.

**4.5 Representative List.** The co-chairs shall update and post the representative list including appointed alternates on the NorthernGrid's Website one (1) business day in advance of each meeting, and the updated list will be used to determine the persons whose presence (in any approved manner) will be counted for establishing a quorum at that upcoming meeting.

**4.6 Quorum.** Subject to the provisions of Section 3.6, seventy-five percent (75%) of the representatives in each class must participate in a meeting for a decision to occur at the meeting.

**4.7 Decision Making.** Except as provided for in Article 5, at any meeting of the Committee at which a quorum is achieved, any business under the Committee's authority may be transacted, and the Committee may exercise all of its powers. The Committee shall strive to make its decisions by consensus. A representative may request that a vote be conducted, however, and, once requested, a vote shall be taken. Except as provided for in Article 5, if a vote is required, the affirmative vote of seventy-five percent (75%) of the representatives in attendance of each class is required to act at a meeting. When only a single class approves of a proposed action, that class may provide a report detailing the issue and positions to the Planning Committee for their consideration.

**4.8 Remote Participation.** Representatives may participate in Committee meetings by means of communications equipment where all persons may participate and be heard. Participation of a representative by such means constitutes presence at the meeting.

## **ARTICLE 5. OFFICERS**

**5.1 Officers, Election, and Term.** The officers of the Committee shall be the co-chairs. On a biannual basis coinciding with the first meeting of the Committee in an even-numbered calendar year, the Enrolled Parties shall elect, by majority vote, from among the Enrolled Party representatives a co-chair. On a biannual basis coinciding with the first meeting of the Committee in an odd-numbered calendar year, the States shall elect, by majority vote,

from among the State representatives a co-chair. Co-chair terms are for two (2) years. The name and contact information of the co-chairs shall be posted on the NorthernGrid Website.

**5.2 Co-Chairs.** A co-chair shall preside at all meetings of the Committee. The co-chairs shall otherwise perform the other duties usually inherent in such office, including representation of the decisions made by this Committee in other NorthernGrid committees, as may be necessary and appropriate.

**5.3 Removal.** The Committee, acting as a whole, may remove any officer from the officer position whenever a quorum as defined in Section 4.6 exists and, by an affirmative vote of seventy-five percent (75%) of the representatives present, it is decided that removal will serve the best interests of the Committee.

**5.4 Resignation.** Any officer may resign from the co-chair position at any time by giving written notice to the Committee. Any resignation shall take effect on the date and time specified by that notice. The acceptance of the resignation is not necessary to make it effective. The resignation of a position as co-chair does not itself remove that representative from the Committee.

**5.5 Vacancies.** Vacancies in any office arising from any cause shall be filled by the class of representatives from which the vacant position arose, at the next meeting by a majority vote of the representatives as provided in Section 5.1. The newly appointed officer will complete the vacancy term.

**5.6 Participation in Other Committees.** The co-chairs are representatives to the Member Planning Committee and the Enrolled Parties Planning Committee.

## **ARTICLE 6. MISCELLANEOUS**

**6.1 Taskforce.** The co-chairs shall convene the Cost Allocation Taskforce within ten (10) business days upon a co-chair's receipt of a Project Sponsor's Request for Cost Allocation. Appointment of the participants on the Cost Allocation Taskforce shall occur in the manner defined in the Cost Allocation Taskforce Charter.

**6.2 Dispute Resolution.** Disputes shall be subject to the dispute resolution process outlined in Attachment K.

**6.3 Amendments.** This charter may be amended in whole or in part by the Enrolled Parties. Periodically, the Committee should review this charter and may propose changes to this charter to the Enrolled Parties. All amendments to this charter shall be set forth

in writing and effective upon approval by the Committee or such other date as may be set by the Federal Energy Regulatory Commission.

# **Exhibit D**

## Form of Non- Enrolled Developer Agreement



# Non-Enrolled Developer Agreement

This Non-Enrolled Developer Agreement (“**Agreement**”) is by and between \_\_\_\_\_ (“**Developer**”) and each of the Enrolled Parties of NorthernGrid, each of which hereafter shall be referred to individually as “Party” and collectively as “**Parties.**”

## RECITALS

- A. NorthernGrid is an unincorporated association of its members formed for the purpose of coordinating regional transmission planning for the NorthernGrid members;
- B. Developer is (i) a Non-Incumbent Transmission Developer, (ii) a Merchant Transmission Developer, or (iii) an Interregional Transmission Project (ITP) Proponent;
- C. Developer intends to propose a transmission project for evaluation in the NorthernGrid regional plan in accordance with the provision entitled “Proposing a Project” in the regional portion of the Enrolled Parties Attachment K (as defined below);
- D. This Agreement is for the Planning Cycle that begins January 1, \_\_\_\_\_, and ends December 31, \_\_\_\_\_; and
- E. The Parties desire to define their rights and obligations related to participation in the NorthernGrid planning process.

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration, the Parties hereby agree as follows:

- 1. *Term.* This Agreement shall be effective on the later of (i) the first day of the Planning Cycle stated in the recitals above or (ii) the Execution Date indicated below, and shall continue in effect until the end of the Planning Cycle stated in the recitals above (“**Term**”).
- 2. *Definitions.*
  - a. “**Commission**” or “**FERC**” means the Federal Energy Regulatory Commission or any successor entity.
  - b. “**Enrolled Parties Attachment K**” means the Attachment K to the Open Access Transmission Tariffs of the Enrolled Parties that have an Attachment K approved by FERC.

- c. **“Finance Administrator”** means the entity that is selected to serve in the role of the Finance Administrator pursuant to the NorthernGrid Funding Agreement as may be amended from time to time.
- d. **“Funding Agreement”** or **“NorthernGrid Funding Agreement”** means the current version of the agreement among the parties funding the activities of NorthernGrid as may be amended from time to time.
- e. **“Member”** is an entity that has executed the NorthernGrid Funding Agreement.
- f. **“Planning Cycle”** means each two-year process beginning on January 1 of even-numbered years and ending on December 31 of odd-numbered years, undertaken by NorthernGrid, to create the Regional Transmission Plan.
- g. **“Project Coordinator”** means the entity to be engaged to perform and/or facilitate transmission planning activities.

Except as may otherwise be expressly provided herein, capitalized terms in this Agreement shall have the meanings provided in the Enrolled Parties Attachment K.

### 3. *Study Fee.*

- a. Upon execution of this Agreement, a Non-Incumbent Developer or Merchant Transmission Developer shall pay \$10,000 to the Finance Administrator for the study fee for participating in the NorthernGrid planning processes. In no event will this study fee be refunded.
- b. An ITP Proponent is not required to pay the study fee.

### 4. *Expectations.* Developer agrees to:

- a. Comply with all applicable confidentiality requirements;
- b. Be bound by the decisions of the Planning Committee and the Cost Allocation Taskforce; and
- c. Actively participate in the transmission planning processes set forth in the Enrolled Parties Attachment K.

To the extent anything in this Agreement is inconsistent with the Enrolled Parties Attachment K, the Enrolled Parties Attachment K shall control.

### 5. *Miscellaneous.*

- a. *Amendments.* This Agreement shall not be modified, amended, or changed in any respect except by a written document signed by all Parties; *provided*, however, that such modification, amendment, or change shall be subject to acceptance by the Commission, if required, before it becomes effective.

- b. *Applicable Law.* No Party will be considered the drafter of this Agreement for purposes of interpreting this Agreement. This Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of Oregon; *provided* that this Agreement shall, with respect to a Party that is a U.S. government entity, be interpreted, construed, and enforced in accordance with the laws of the United States.
- c. *Assignment.* No Party may transfer or assign this Agreement, in whole or in part, without the other Parties' prior written consent, except that any Party may assign this Agreement to any: (i) affiliate, (ii) successor in interest, or (iii) corporation or other business entity acquiring all or substantially all assets of the assignment Party.
- d. *Binding Effect.* This Agreement is binding upon and inures to the benefit of the successors and assigns of the Parties.
- e. *Dispute Resolution.* The Parties agree to resolve disputes according to the process set forth in the Enrolled Parties Attachment K.
- f. *Execution in Counterparts.* The Parties may sign this Agreement in counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same document. Delivery of an executed signature page of this Agreement by facsimile transmission or email shall be effective as delivery of a manually executed counterpart hereof.
- g. *Force Majeure.* No Party shall be liable or responsible to any other Party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations to make payments hereunder), when and to the extent such failure or delay is caused by or results from the following force majeure events ("**Force Majeure Events**"): (i) acts of God; (ii) flood, fire, earthquake, or explosion; (iii) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (iv) government order or law; (v) actions or blockades in effect on or after the date of this Agreement; (vi) action by any governmental authority; (vii) national or regional emergency; (viii) strikes, labor stoppages or slowdowns, or other industrial disturbances; (ix) shortage of adequate power or transportation facilities; and (x) other similar events beyond the control of the Party impacted by the Force Majeure Event (the "**Impacted Party**"). The Impacted Party shall give notice within five (5) business days of the Force Majeure Event to the other Parties, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized, to the extent practicable. The Impacted Party shall resume the

performance of its obligations as soon as reasonably practicable after the removal of the cause.

- h. *Headings.* The headings used in this Agreement are for convenience only and shall not be construed as a part of this Agreement or as a limitation on the scope of the particular paragraphs to which they refer.
- i. *Integration.* This Agreement, including any exhibits hereto, constitutes the complete agreement of the Parties and supersedes all prior or contemporaneous representations, statements, negotiations, understandings, or inducements with respect to the subject matter of this Agreement.
- j. *Jury Trial.* **To the fullest extent permitted by law, each Party waives any right it may have to a trial by jury in respect of litigation directly or indirectly arising out of, under, or in connection with this Agreement. Each Party further waives any right to consolidate any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.**
- k. *Limitation of Liability.* In no event shall any Party be liable under this Agreement to any other Party or to any third party for any consequential, incidental, indirect, exemplary, special, or punitive, including any damages for business interruption, loss of use, revenue or profit, whether arising out of breach of contract, tort (including negligence) or otherwise, regardless of whether such damages were foreseeable and whether or not the breaching party was advised of the possibility of such damages. The sole remedy for any breach of this Agreement is to enforce prospective compliance with this Agreement's terms and conditions.
- l. *No Joint Action.* This Agreement shall not be interpreted or construed to create an association, *joint* venture, or partnership, or to impose any partnership obligations or liability.
- m. *Notice.* Any notice to Developer regarding this Agreement shall be made to:

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

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

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

City, State ZIP: \_\_\_\_\_

Email: \_\_\_\_\_

- n. *Ownership of Products.* All information, data, reports, results, or other products generated pursuant to the planning efforts undertaken by NorthernGrid will be

available to all Parties for their undivided use; provided, however, that Parties retain the right to engage in separate agreements addressing specific ownership rights of information, data, reports, results, or other products funded through mechanisms outside the scope of NorthernGrid.

- o. *Severability.* If any portion of this Agreement is held to be void or unenforceable, the balance thereof shall continue to be effective.
- p. *Third-Party Beneficiaries.* All signatories of the NorthernGrid Funding Agreement for the current Planning Cycle are third-party beneficiaries of this Agreement.
- q. *Waiver.* A waiver by a Party of any default or breach by another Party of any covenants, terms, or conditions of this Agreement shall not limit the Party's right to enforce such covenants, terms or conditions or to pursue its rights in the event of any subsequent default or breach.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on \_\_\_\_\_ (“**Execution Date**”).

**DEVELOPER**

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

*Developer is (check one):*

Non-Incumbent Transmission Developer

Merchant Transmission Developer

Interregional Transmission Project (ITP) Proponent

**AVISTA CORPORATION**

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

**IDAHO POWER COMPANY**

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

**MATL LLP**

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

**NORTHWESTERN CORPORATION**

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

**NV ENERGY**

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

**PACIFICORP**

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

**PORTLAND GENERAL ELECTRIC COMPANY**

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

**PUGET SOUND ENERGY, INC.**

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

## ATTACHMENT L

### Creditworthiness Procedures

#### 1. Summary Of Procedure For Corporate-Wide Credit Review Of Transmission Customer And Requirements, If Any, For Security Or Collateral

For the purpose of determining the ability of Transmission Customer to meet its obligations related to service under this Tariff, Transmission Provider may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices and must consider quantitative and qualitative criteria, such as those set forth below, to determine the level of secured and unsecured credit to be provided by Transmission Provider to Transmission Customer for service under this Tariff.

Transmission Provider may require Transmission Customer to provide and maintain in effect during the term of the Service Agreement security or collateral acceptable to Transmission Provider and consistent with Sections 2-4 below.

Transmission Provider may require that the level and type of credit to be provided by Transmission Provider to Transmission Customer for service under this Tariff shall be consistent with a corporate-wide credit limit established for Transmission Customer consistent with this Attachment L and any credit guide or manual posted on OASIS to supplement this Attachment L. For purposes of this Attachment L, the corporate-wide credit limit of a Transmission Customer at any time shall mean the maximum credit to be extended to Transmission Customer on a corporate-wide basis as then determined by Transmission Provider, reduced by the total credit of Transmission Provider then extended to and used by Transmission Customer on a corporate-wide basis. Transmission Provider's corporate credit manager may disclose to PSE transmission employees the then available corporate-wide credit limit, if any, of any Transmission Customer for use by those employees in the discharge of their responsibilities consistent with this Tariff.

Analysis of credit risk in establishing a corporate-wide credit limit is based on qualitative and quantitative factors. Such qualitative factors may include the following, among others:

- Transmission Customer's history;
- nature of organization and operating environment;
- management;
- contractual obligations;
- governance policies;
- financial and accounting policies;
- risk management and credit policies;



- market risk including price exposures, credit exposures, and operational exposures;
- event risk; and
- the state or local regulatory environment.

Such quantitative factors may include the following, among others:

- capital structure;
- liquidity and financial flexibility;
- credit ratings established by credit rating agencies;
- financial statements in general, and profitability and cashflow, in particular.

## **2. Criteria For Requiring Collateral Or Security**

Transmission Customer shall provide and maintain collateral or security as required by Transmission Provider pursuant to this Attachment L to the Transmission Provider if and for so long as the Transmission Customer fails to satisfy any of the following four requirements:

- (1) The Transmission Customer is not in default of any payment due under the Tariff; or
- (2) The Transmission Customer is not in default of any other obligations under the Tariff; or
- (3) The Transmission Customer has a satisfactory long-term payment history with PSE or Transmission Customer has provided Transmission Provider with satisfactory credit information; or
- (4) The requested and any existing service under this Tariff will not cause the Transmission Customer's corporate-wide credit limit, if any, as established from time to time by Transmission Provider's corporate credit manager to be exceeded.

## **3. Notice Of Corporate-Wide Credit Limit And Collateral Or Security Requirements**

Prior to the commencement of service under any Service Agreement under this Tariff, Transmission Provider shall notify Transmission Customer of (i) any corporate-wide credit limit of Transmission Customer and (ii) whether and to what extent Transmission Customer is required pursuant to this Attachment L to provide collateral or security.

From time to time during the term of any Service Agreement under this Tariff, Transmission Provider may review any corporate-wide credit limit or collateral or security required of Transmission Customer and shall notify Transmission Customer of any changes in

the corporate-wide credit limit, collateral or security of Transmission Customer.

#### **4. Types Of Collateral Or Security Acceptable To Transmission Provider And Opportunities To Provide Collateral Or Security**

If, at any time, Transmission Customer is required pursuant to this Attachment L to provide collateral or security or to provide different collateral or security, Transmission Customer shall, within ten (10) days of receipt of written notice from Transmission Provider that Transmission Customer must provide such collateral or security,

- (i) provide and maintain in effect during the term of any Service Agreement under this Tariff an irrevocable letter of credit (in form and substance satisfactory to Transmission Provider), issued by a domestic bank, or a domestic branch of a foreign bank, with a senior debt rating of at least “A” (or its equivalent) from Standard & Poor’s, Moody’s, Fitch, DBRS or CBRS, or an alternative form of security or collateral acceptable to the Transmission Provider and consistent with standard commercial practices that protects the Transmission Provider against risk of non-payment; or
- (ii) provide and maintain in effect during the term of any Service Agreement under this Tariff a corporate guaranty in a form and by a corporate guarantor acceptable to the Transmission Provider that protects the Transmission Provider against risk of non-payment; or
- (iii) provide and maintain in effect during the term of any Service Agreement under this Tariff a prepayment or cash margin deposit to Transmission Provider, provided that terms and amounts are acceptable to Transmission Provider.

#### **5. Explanation Of Levels Of Any Corporate-Wide Credit Limit Or Collateral Or Security Requirements**

Within ten (10) days of Transmission Customer’s receipt of written notice from Transmission Provider of any establishment or change of a corporate-wide credit limit or any establishment or change of collateral or security to be provided by Transmission Customer, Transmission Customer may request in writing, and the Transmission Provider will provide within ten (10) days of its receipt of such request, a written analysis explaining any establishment or change in any corporate-wide credit limit of Transmission Customer as established or changed pursuant to this Attachment L or any establishment or change in any requirement that Transmission Customer provide collateral or security pursuant to this Attachment L.

#### **6. Procedure To Contest Determinations Of Any Credit Corporate-Wide Limit Or Collateral Or Security Requirement**

Within five (5) days of Transmission Customer’s receipt of Transmission Provider’s written explanation pursuant to section 5 above, Transmission Customer may, by written notice to Transmission Provider, contest such written explanation of Transmission Provider by addressing the issues set forth in Transmission Provider’s written explanation. Transmission

Provider will provide a written response to any such contest within ten (10) days of receipt of such contest and notify Transmission Customer of Transmission Provider's determination of any establishment or change in any corporate-wide credit limit of Transmission Customer as established or changed pursuant to this Attachment L or any establishment or change in any requirement that Transmission Customer provide collateral or security pursuant to this Attachment L. Transmission Provider's written explanation pursuant to section 5 above shall not alter the applicability of any corporate-wide credit limit of Transmission Customer as established or changed pursuant to section 3 above or any establishment or change in any requirement that Transmission Customer provide collateral or security pursuant to section 2 above.

Transmission Customer shall have five (5) days from receipt of Transmission Provider's final determination of any establishment or change in any requirement that Transmission Customer provide collateral or security pursuant to this Attachment L to provide such collateral or security.

#### **7. Failure To Provide Security Or Collateral**

Any failure by Transmission Customer to provide security or collateral pursuant to section 2 above shall be considered a Customer Default as provided in section 7.3 of the Tariff.

**ATTACHMENT M**  
**Form of Retail Network Operating Agreement**

This RETAIL NETWORK OPERATING AGREEMENT made and entered into this \_\_\_\_ day of \_\_\_\_, 2001, by and between Puget Sound Energy (“Transmission Provider”) and Retail Customer Participating in a Retail Wheeling Service Program in the State of Washington pursuant to Retail Rate Schedules 449 and 448 (“Transmission Customer”), which Customer hereinafter may be referred to individually as “Party” or collectively as “Parties.”

- 1.0 The terms and conditions under which the Network Operating Agreement is offered and accepted are pursuant to the Retail Network Integration Transmission Service Agreement and Attachments (“Service Agreement”) and to the Tariff. The Service Agreement and Tariff are hereby incorporated by reference and made a part of this Operating Agreement. In the event of any conflict between the Service Agreement and the Tariff, the Tariff will govern.
- 2.0 This Operating Agreement shall become effective, and shall remain in effect, for the same term as the term of the Service Agreement entered into by the Transmission Provider and Transmission Customer pursuant to which the Transmission Provider will provide Transmission Service under the Tariff.
- 3.0 Unless otherwise specified in the Service Agreement, power and energy transmitted by the Transmission Provider for the Transmission Customer shall be delivered as three-phase delivery voltage of at least 50 kV.
- 4.0 Upon the Transmission Provider’s request from time to time, the Transmission Customer shall provide its best estimate of anticipated amounts of hourly Loads for the next thirty (30) days.
- 5.0 The Transmission Provider reserves the right to take whatever actions it deems necessary to preserve the reliability and integrity of its electric system, limit or prevent damage, expedite restoration of service, ensure safe and reliable operation, avoid adverse effects on the quality of service, or preserve public safety. If the Transmission Service is causing harmful physical effects to Transmission Provider’s transmission system facilities or to its Transmission Customer (e.g., harmonics, undervoltage, overvoltage, flicker, voltage variations, etc.), the Transmission Provider shall promptly notify, where possible the Transmission Customer and if the Transmission Customer does not take the appropriate corrective actions immediately, the Transmission Provider shall have the right to interrupt Transmission Service in order to alleviate the situation and to suspend all or any portion of the Transmission Service until appropriate corrective action is taken.
- 6.0 If the Transmission Customer’s operating conditions materially change or upon request of the Transmission Provider, the Transmission Customer shall provide the Transmission Provider with such reports and information concerning its operations as are reasonably necessary to enable Transmission Provider to operate its Transmission System adequately and meet all applicable guidelines and requirements.

- 7.0 If the function of any Party’s facilities is impaired or the capacity of any delivery point is reduced, or synchronous operation at any delivery point(s) becomes interrupted, either manually or automatically, as a result of force majeure or maintenance coordinated by the Parties, the Parties will cooperate to remove the cause of such impairment, interruption or reduction so as to restore normal operating conditions expeditiously.
- 8.0 In the event the Transmission Customer fails to respond in a timely manner, as system conditions require, to the established Load Shedding and Curtailment procedures as directed by the Transmission Provider, the Transmission Customer shall be subject to any applicable indemnification and penalty provisions of the Tariff. The Transmission Provider’s objective in requiring Load Shedding or Curtailment with respect to any Transmission Customer, including Transmission Customer, shall be to preserve the reliability and integrity of the Transmission Provider’s Transmission System. The Transmission Provider shall require Load Shedding or Curtailment from Transmission Customer only if such action is consistent with that objective.
- 9.0 Any notice or request made to or by either Party regarding this Operating Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider

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

Transmission Customer

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

- 10.0 Nothing in this Operating Agreement limits the right of Transmission Provider to unilaterally seek modification of the rates, terms, and conditions of the Tariff upon approval by the Federal Energy Regulatory Commission (“Commission”).
- 11.0 This Operating Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns, but shall not be assigned by any Party, except to successors to all or substantially all of the electric properties and assets of such Party as specified in the Service Agreement.

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

Transmission Customer

Transmission Provider

---

Name (Printed)

---

Name (Signed)

---

Company

---

Title

---

Date

---

Name (Printed)

---

Name (Signed)

---

Transmission Provider

---

Title

---

Date

## ATTACHMENT N

### Point-to-Point Transmission Service Products Offered by PSE

Pursuant to the North American Electric Standards Board ("NAESB") Wholesale Electric Quadrant ("WEQ") OASIS Business Practice Standards ("WEQ-001"), PSE will process the following transmission services pursuant to the provisions of Part II of PSE's Open Access Transmission Tariff. PSE transmission service products are offered and processed in Pacific Prevailing Time (PPT).

#### **001-2.1.1 Fixed Hourly**

The service starts at the beginning of a clock hour and stops at the end of a clock hour.

#### **001-2.1.2 Fixed Daily**

The service starts at 00:00 and stops at 24:00 of the same calendar date (same as 00:00 of the next consecutive calendar date).

#### **001-2.11 Extended Weekly**

The service starts at 00:00 of any date and stops at 00:00 more than one week later, but less than four weeks later.

#### **001-2.12 Extended Monthly**

The service starts at 00:00 of any date and stops at 00:00 more than one month later, but less than twelve months later.

#### **001-2.13 Extended Yearly**

The service starts at 00:00 of any date and stops at 00:00 more than one year later. As allowed by NAESB WEQ-001, PSE limits the service to be in increments of full calendar months and limits the start and stop of service to the first day of a calendar month.

Transmission services PSE does not offer pursuant to the provisions of Part II of PSE's Open Access Transmission Tariff, as defined in Standard WEQ-001 of the NAESB OASIS Business Practice Standards, are shown below. Any OASIS request for these transmission services will be invalidated and the Transmission Customer may resubmit the request in the form of any of the transmission services previously described in this Attachment N as being offered by PSE.

#### **001-2.1.3 Fixed Weekly**

The service starts at 00:00 on Monday and stops at 24:00 of the following Sunday (same as 00:00 of the following Monday).

**001-2.1.4 Fixed Monthly**

The service starts at 00:00 on the first date of a calendar month and stops at 24:00 on the last date of the same calendar month (same as 00:00 of the first date of the next consecutive month).

**001-2.1.5 Fixed Yearly**

The service starts at 00:00 on the first date of a calendar year and ends at 24:00 on the last date of the same calendar year (same as 00:00 of the first date of the next consecutive year).

**001-2.1.6 Sliding Daily**

The service starts at the beginning of any hour of the day and stops exactly 24 hours later at the same time on the next day.

**001-2.1.7 Sliding Weekly**

The service starts at 00:00 of any date and stops exactly 168 hours later at 00:00 on the same day of the next week.

**001-2.1.8 Sliding Monthly**

The service starts at 00:00 of any date and stops at 00:00 on the same date of the next month (28-31 days later). If there is no corresponding date in the following month, the service stops at 24:00 on the last day of the next month. For example: SLIDING MONTHLY starting at 00:00 on January 30 would stop at 24:00 on February 28 (same as 00:00 March 1).

**001-2.1.9 Sliding Yearly**

The service starts at 00:00 of any date and stops at 00:00 on the same date of the following year. If there is no corresponding date in the following year, the service stops at 24:00 on the last day of the same month in the following year. For example SLIDING YEARLY service starting on February 29 would stop on February 28 of the following year. The Transmission Provider may limit the start of service to the beginning of a calendar month.

**001-2.10 Extended Daily**

The service starts at any hour of a day and stops more than 24 hours later and less than 168 hours later.

**001-2.14 Next Increment Hourly**

The service starts at the beginning of the next clock hour and stops at the end of that clock hour.



**ATTACHMENT O**  
**Energy Imbalance Market**

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## Transmission Facilities

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## **ATTACHMENT O EIM**

### **1. General Provision - Purpose and Effective Date of Attachment O**

Attachment O provides for Transmission Provider's participation as the PSE EIM Entity in the EIM administered by the MO. Attachment O shall be in effect upon its acceptance by the Commission, with the exceptions provided below, for as long as Transmission Provider implements the EIM and until all final settlements are finalized resulting from such implementation. Sections 4.1.5, 4.1.6, 8 and 10 of this Attachment O take effect no earlier than October 1, 2016 or the implementation date of Transmission Provider's participation in the EIM, whichever is later. All other sections of this Attachment O take effect no earlier than July 25, 2016 or seven (7) days prior to the start of parallel operations

This Attachment O shall apply to all Transmission Customers and Interconnection Customers, as applicable, with new and existing service agreements under Articles II and III and Annexes A and B of this Tariff, as well as all Transmission Customers with legacy transmission agreements that pre-existed this Tariff and that expressly incorporate by reference the applicability of PSE's Tariff and/or this Attachment O in particular. To the extent an Interconnection Customer controls the output of a generator located in PSE's BAA, the PSE EIM Entity may require the Interconnection Customer to comply with a requirement in this Attachment O that on its face applies to a Transmission Customer to the extent that the PSE EIM Entity makes a determination, in its sole discretion, that the Interconnection Customer is the more appropriate party to satisfy the requirements of Attachment O than any Transmission Customer.

This Attachment O shall work in concert with the provisions of the MO Tariff implementing the EIM to support operation of the EIM. To the extent that this Attachment O is inconsistent with a provision in the remainder of this Tariff with regard to the PSE EIM Entity's administration of the EIM, this Attachment O shall prevail.

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

### **2. Election of Transmission Customers to become PSE EIM Participating Resources**

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

- (1) Meet the requirements specified in Section 3 of this Attachment O and the PSE EIM

BP;

- (2) Become or retain a MO-certified EIM Participating Resource Scheduling Coordinator; and
- (3) Follow the application and certification process specified in this Attachment O and the PSE EIM BP posted on the Transmission Provider's OASIS.

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

### **3. Eligibility to be a PSE EIM Participating Resource**

#### **3.1 Internal Resources - Transmission Rights**

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

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

#### **3.2 Resources External to PSE's BAA**

##### **3.2.1 Use of Pseudo-Ties**

A resource owned or controlled by a Transmission Customer that is not physically located inside the metered boundaries of PSE's BAA may participate in the EIM as a PSE EIM Participating Resource if the Transmission Customer (1) implements a Pseudo-Tie into PSE's BAA, consistent with PSE's business practice posted on Transmission Provider's OASIS, (2) has arranged firm transmission over any third-party transmission systems to a PSEI BAA intertie boundary equal to the amount of energy that will be Dynamically Transferred through a Pseudo-Tie into PSE's BAA, consistent with PSE's business practice posted on Transmission Provider's OASIS, and (3) has secured transmission service consistent with Section 3.1 of this Attachment O.

### **3.2.2 Pseudo-Tie Costs**

Pseudo-Tie implementation costs shall be allocated in a manner consistent with the treatment of Network Upgrades and Direct Assignment Facilities to facilitate a Pseudo-Tie into PSE's BAA.

## **3.3 Application and Certification of PSE EIM Participating Resources**

### **3.3.1 Application**

To become a PSE EIM Participating Resource, an applicant must submit a completed application, as set forth in the PSE EIM BP, and shall provide a deposit of \$1,500 for the PSE EIM Entity to process the application. Upon completion of processing the completed application, the PSE EIM Entity shall charge and the applicant shall pay the actual costs of the application processing. Any difference between the deposit and the actual costs of the application processing shall be paid by or refunded to the PSE EIM Participating Resource applicant, as appropriate.

At the time of application, any PSE EIM Participating Resource applicant must elect to perform the duties of either a CAISO Metered Entity or Scheduling Coordinator Metered Entity, consistent with the MO's requirements and additional technical requirements set forth in the PSE EIM BP, as applicable.

### **3.3.2 Processing the Application**

The PSE EIM Entity shall make a determination as to whether to accept or reject the application within 45 days of receipt of the application. At minimum, the PSE EIM Entity shall validate through the application that the PSE EIM Participating Resource applicant has satisfied Sections 3.1 and 3.2 of this Attachment O, as applicable, and met minimum telemetry and metering requirements, as set forth in the MO's requirements and the PSE EIM BP. Within 45 days of receipt of the application and in accordance with the process outlined in the PSE EIM BP, the PSE EIM Entity may request additional information and will attempt to resolve any minor deficiencies in the application with the Transmission Customer. The PSE EIM Entity may extend the 45-day period to accommodate the resolution of minor deficiencies in the application in order to make a determination on an application.

If the PSE EIM Entity approves the application, it shall send notification of approval to both the PSE EIM Participating Resource applicant and the MO. The process by which the PSE EIM Entity sends notification of approval shall be set forth in the PSE EIM BP.

If the PSE EIM Entity rejects the application, the PSE EIM Entity shall send notification stating the grounds for rejection to the PSE EIM Participating Resource applicant. Upon request, the PSE EIM Entity may provide guidance to the applicant as to how the PSE EIM Participating Resource applicant may cure the grounds for the rejection. In the event that the PSE EIM Entity has granted an extension of the 45-day period but the applicant has neither provided the additional requested information nor otherwise resolved identified deficiencies within six (6) months of the PSE EIM Entity's initial receipt of the application, the application shall be deemed



rejected by the PSE EIM Entity.

If an application is rejected, the PSE EIM Participating Resource applicant may resubmit its application at any time (including submission of a new processing fee deposit).

### **3.3.3 Certification Notice**

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

- (1) Met the MO's criteria to become an EIM Participating Resource and executed the MO's *pro forma* EIM Participating Resource Agreement;
- (2) Qualified to become or retained the services of a MO-certified EIM Participating Resource Scheduling Coordinator;
- (3) Met the necessary metering requirements of this Tariff and Section 29.10 of the MO Tariff and the EIM Participating Resource Scheduling Coordinator has executed the MO's *pro forma* Meter Service Agreement for Scheduling Coordinators; and
- (4) Met communication and data requirements of this Tariff and Section 29.6 of the MO Tariff; and has the ability to receive and implement Dispatch Instructions every five minutes from the MO.

Upon receiving notice from the MO of the completion of the enumerated requirements by the Transmission Customer, the PSE EIM Entity shall provide notice to both the Transmission Customer with a PSE EIM Participating Resource and the MO that the PSE EIM Participating Resource is certified and therefore eligible to participate in the EIM. The process by which the PSE EIM Entity certifies Transmission Customers with a PSE EIM Participating Resource shall be set forth in the PSE EIM BP.

### **3.3.4 Status of Resource Pending Certification**

If the Transmission Customer (i) has submitted an application for a resource to be a PSE EIM Participating Resource but the application has not been approved, or (ii) has not yet been certified by the PSE EIM Entity consistent with Section 3.3.3 of this Attachment O, the resource shall be deemed to be a Non-Participating Resource.

### **3.3.5 Notice and Obligation to Report a Change in Information**

Each Transmission Customer with a PSE EIM Participating Resource has an ongoing obligation to inform the PSE EIM Entity of any changes to any of the information submitted as part of the application process under this Attachment O. The PSE EIM BP shall set forth the process and

timing requirements for notifying the PSE EIM Entity of such changes.

This information includes, but is not limited to:

- (1) Any change in the PSE EIM Participating Resource Scheduling Coordinator representing the resource;
- (2) Any change in the ownership or control of the resource;
- (3) Any change to the physical characteristics of the resource required to be reported to the MO in accordance with Section 29.4(c)(4)(C) of the MO Tariff; or
- (4) If either the MO terminates the participation of the PSE EIM Participating Resource in the EIM or the Transmission Customer has terminated the PSE EIM Participating Resource's participation in the EIM; in either case, that resource shall be considered to be a Non-Participating Resource for purposes of this Tariff, including Attachment O.

#### **4. Roles and Responsibilities**

##### **4.1 Transmission Provider as the PSE EIM Entity and the PSE EIM Entity Scheduling Coordinator**

###### **4.1.1 Responsibilities**

###### **4.1.1.1 Identification of EIM Entity Scheduling Coordinator**

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

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

###### **4.1.1.2 Processing PSE EIM Participating Resource Applications**

The PSE EIM Entity shall be responsible for processing applications of Transmission Customers seeking authorization to participate in the EIM with resources as PSE EIM Participating Resources in accordance with Section 3.3 of this Attachment O.

#### **4.1.1.3 Determination of EIM Implementation Decisions for PSE's BAA**

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

- (1) **Eligibility requirements:** Eligibility requirements are set forth in Section 3 of Attachment O.
- (2) **Load Aggregation Points:** There shall be one LAP for PSE's BAA.
- (3) **MO load forecast:** The PSE EIM Entity shall utilize the MO load forecast but shall retain the right to provide the load forecast to the MO in accordance with the MO Tariff.
- (4) **MO metering agreements:** The PSE EIM Entity and all Transmission Customers with PSE EIM Participating Resources shall have the option to elect to be Scheduling Coordinator Metered Entities or CAISO Metered Entities in accordance with Section 29.10 of the MO Tariff. The PSE EIM Entity shall be a Scheduling Coordinator Metered Entity on behalf of all Transmission Customers with Non-Participating Resources in accordance with Section 29.10 of the MO Tariff.

#### **4.1.1.4 PSE EIM Business Practice**

The PSE EIM Entity shall establish and revise, as necessary, procedures to facilitate implementation and operation of the EIM through the PSE EIM BP that shall be posted on the Transmission Provider's OASIS.

#### **4.1.1.5 Determination to Take Corrective Actions or Permanently Terminate Participation in the EIM**

The PSE EIM Entity may take corrective actions in PSE's BAA in accordance with the requirements of Section 10.3 of Attachment O.

In addition, the PSE EIM Entity, in its sole and absolute discretion, may permanently terminate its participation in the EIM by providing notice of termination to the MO pursuant to applicable agreements and by making a filing pursuant to Section 205 of the Federal Power Act to revise this Tariff consistent with the Commission's requirements.

## **4.1.2 Responsibilities of the PSE EIM Entity to Provide Required Information**

### **4.1.2.1 Provide Modeling Data to the MO**

The PSE EIM Entity shall provide the MO information associated with transmission facilities within PSE's BAA, including, but not limited to, network constraints and associated limits that must be observed in PSE's BAA' network and inerties with other BAAs.

### **4.1.2.2 Registration**

The PSE EIM Entity shall register all Non-Participating Resources with the MO. The PSE EIM Entity may choose to obtain default energy bids from the MO for Non-Participating Resources that are Balancing Authority Area Resources. The PSE EIM Entity shall update this information in accordance with the MO's requirements as revised information is received from Transmission Customers with Non-Participating Resources in accordance with Section 4.2.1.2 of this Attachment O.

## **4.1.3 Day-to-Day EIM Operations**

### **4.1.3.1 Submission of Transmission Customer Base Schedule, Forecast Data for Non-Participating Resources that are Variable Energy Resources, and Resource Plans**

The PSE EIM Entity is responsible for providing the data required by the MO in accordance with Section 29.34 of the MO Tariff, including but not limited to: (1) hourly Transmission Customer Base Schedules; (2) Forecast Data for Non-Participating Resources that are Variable Energy Resources; and (3) Resource Plans.

### **4.1.3.2 Communication of Manual Dispatch Information**

The PSE EIM Entity shall inform the MO of a Manual Dispatch by providing adjustment information for the affected resources in accordance with Section 29.34 of the MO Tariff.

### **4.1.3.3 Confirmation**

The MO shall calculate, and the PSE EIM Entity shall confirm, actual values for Dynamic Schedules reflecting EIM Transfers to the MO within 60 minutes after completion of the Operating Hour to ensure the e-Tag author will be able to update these values in accordance with WECC business practices through an update to the e-Tag.

### **4.1.3.4 Dispatch of EIM Available Balancing Capacity of a Non-Participating Resource**

Upon notification by the MO, the PSE EIM Entity shall notify the Non-Participating Resource of the Dispatch Operating Point for any EIM Available Balancing Capacity from the

Non-Participating Resource, except in circumstances in which the PSE EIM Entity determines the additional capacity is not needed for the BAA or has taken other actions to meet the capacity need.

#### **4.1.4 Provision of Meter Data**

The PSE EIM Entity shall submit load, resource, and Interchange meter data to the MO in accordance with the format and timeframes required in the MO Tariff on behalf of Transmission Customers with Non-Participating Resources, loads, and Interchange.

#### **4.1.5 Settlement of MO Charges and Payments**

The PSE EIM Entity shall be responsible for financial settlement of all charges and payments allocated by the MO to the PSE EIM Entity. The PSE EIM Entity shall sub-allocate EIM charges and payments in accordance with Schedules 1, 1A, 4, 4R and 9 of this Tariff or Section 8 of Attachment O, as applicable.

#### **4.1.6 Dispute Resolution with the MO**

The PSE EIM Entity shall manage dispute resolution with the MO for the PSE EIM Entity settlement statements consistent with Section 29.13 of the MO Tariff, Section 12 of this Tariff, and the PSE EIM BP. Transmission Customers with PSE EIM Participating Resources shall manage dispute resolution with the MO for any settlement statements they receive directly from the MO.

### **4.2 Transmission Customer Responsibilities**

The following must comply with the information requirements of this section: (1) Transmission Customers with a PSE EIM Participating Resource; (2) Transmission Customers with a Non-Participating Resource; (3) Transmission Customers with load within PSE's BAA; and (4) subject to the limitations identified in Section 4.2.4.5.1 of this Attachment O, Transmission Customers without load or generation in PSE's BAA.

#### **4.2.1 Initial Registration Data**

##### **4.2.1.1 Transmission Customers with a PSE EIM Participating Resource**

A Transmission Customer with a PSE EIM Participating Resource shall provide the MO and the PSE EIM Entity with data necessary to meet the requirements established by the MO to register all resources with the MO as required by Section 29.4(e)(4)(D) of the MO Tariff.

##### **4.2.1.2 Transmission Customers with Non-Participating Resources**

A Transmission Customer with Non-Participating Resources shall provide the PSE EIM Entity with data necessary to meet the requirements established by the MO as required by Section

29.4(c)(4)(C) of the MO Tariff.

#### **4.2.2 Responsibility to Update Required Data**

##### **4.2.2.1 Transmission Customers with a PSE EIM Participating Resource**

Each Transmission Customer with a PSE EIM Participating Resource has an ongoing obligation to inform the MO and PSE EIM Entity of any changes to any of the information submitted by the Transmission Customer provided under Section 4.2.1 of this Attachment O that reflects changes in operating characteristics as required by Section 29.4(e)(4)(D) of the MO Tariff. The PSE EIM BP shall set forth the process and timing requirements of notifying the PSE EIM Entity of such changes.

##### **4.2.2.2 Transmission Customers with Non-Participating Resources**

Each Transmission Customer with a Non-Participating Resource has an ongoing obligation to inform the PSE EIM Entity of any changes to any of the information submitted by the Transmission Customer with a Non-Participating Resource provided under Section 4.2.1 of this Attachment O. The PSE EIM BP shall set forth the process and timing requirements of notifying the PSE EIM Entity of such changes.

#### **4.2.3 Outages**

Transmission Customers with PSE EIM Participating Resources and Transmission Customers with Non-Participating Resources shall be required to provide planned and unplanned outage information for their resources in accordance with Section 7 of this Attachment O. The PSE EIM BP shall set forth the outage information requirements for PSE EIM Participating Resources and Non-Participating Resources.

#### **4.2.4 Submission of Transmission Customer Base Schedule**

A Transmission Customer shall submit the Transmission Customer Base Schedule to the PSE EIM Entity. This submission must include Forecast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable. If the Transmission Customer does not serve load within PSE's BAA, submission of the Transmission Customer Base Schedule shall include Forecast Data on all resources, Interchange, and Intrachange which shall balance to the Transmission Customer's anticipated actual generation within PSE's BAA. The submissions shall be in the format and within the timing requirements established by the MO and the PSE EIM Entity as required in Section 4.2.4.5 of this Attachment O and the PSE EIM BP.

##### **4.2.4.1 Transmission Customers with a PSE EIM Participating Resource or Non-Participating Resource in the PSE BAA**

A Transmission Customers with a PSE EIM Participating Resource or a Non-Participating Resource is not required to submit Forecast Data for:

- (1) resources located in PSE's BAA that are less than five MW; or
- (2) behind-the-meter generation which is not contained in the MO's network model.

Each PSE EIM Participating Resource Scheduling Coordinator shall provide to the PSE EIM Entity the energy bid range data (without price information) of the respective resources it represents that are participating in the EIM.

Each PSE EIM Participating Resource Scheduling Coordinator shall also provide the PSE EIM Entity with Dispatch Operating Point data of the respective resources it represents that are participating in the EIM.

#### **4.2.4.2 Transmission Customers with Non-Participating Resources that are Variable Energy Resources**

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit (i) resource Forecast Data with hourly granularity and (ii) resource Forecast Data with 5-minute or 15-minute granularity. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall provide, at minimum, a three-hour rolling forecast with 15-minute granularity, updated every 15 minutes, and may provide, in the alternative, a three-hour rolling forecast with 5-minute granularity, updated every 5 minutes, and in accordance with any additional procedures set forth in the PSE EIM BP.

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit resource Forecast Data consistent with this Section 4.2.4.2 using any one of the following methods:

- (1) The Transmission Customer may elect to use the PSE EIM Entity's Variable Energy Resource reliability forecast prepared for Variable Energy Resources within PSE's BAA, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff;
- (2) The Transmission Customer may elect to self-supply the Forecast Data and provide such data to the PSE EIM Entity, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff. The PSE EIM BP will specify the manner in which Transmission Customers may self-supply Forecast Data; or
- (3) The Transmission Customer may elect that the MO produce Forecast Data for the Variable Energy Resource, made available to the Transmission Customer in a manner consistent with Section 29.11(j)(1) of the MO Tariff, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff.

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource must elect one of the above methods prior to commencement of the EIM or prior to such other date in accordance with the procedures set forth in the PSE EIM BP. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource may change its election by providing advance notice to the PSE EIM Entity, in accordance with the procedures set forth in the PSE EIM BP.

To the extent a Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource elects method (2) above, and such Transmission Customer fails to submit resource Forecast Data for any time interval as required by this Section 4.2.4.2 of this Attachment O, the PSE EIM Entity shall apply method (1) for purposes of settlement pursuant to Schedule 9 of this Tariff.

#### **4.2.4.3 Transmission Customers with Load**

As set forth in Sections 4.2.4 of this Attachment O, a Transmission Customer is required to submit Forecast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable.

For purposes of settling Energy Imbalance Service pursuant to Schedule 4 and Schedule 4R of this Tariff, the PSE EIM Entity shall calculate the load component of the Transmission Customer Base Schedule as the resource Forecast Data net of its Interchange Forecast Data and net of its Intrachange Forecast Data, as applicable.

#### **4.2.4.4 Transmission Customers Without Resources or Load in PSE's BAA**

A Transmission Customer which does not have any resources or load within PSE's BAA shall submit a Transmission Customer Base Schedule that includes Interchange and Intrachange Forecast Data to the PSE EIM Entity.

#### **4.2.4.5 Timing of Transmission Customer Base Schedules Submission**

##### **4.2.4.5.1 Preliminary Submission of Transmission Customer Base Schedules by Transmission Customers with Resources Or Load in the PSE BAA.**

Transmission Customers with resources or load in the PSE BAA shall submit their initial Transmission Customer Base Schedules 7 days prior to each Operating Day ("T - 7 days"). Transmission Customers may modify the proposed Transmission Customer Base Schedule at any time but shall submit at least one update by 10 a.m. of the day before the Operating Day.



#### **4.2.4.5.2 Final Submissions of Transmission Customer Base Schedules**

Transmission Customers shall submit proposed final Transmission Customer Base Schedules, at any time but no later than 77 minutes prior to each Operating Hour (“T-77”). Transmission Customers may modify Transmission Customer Base Schedules up to and until 57 minutes prior to the Operating Hour (“T-57”). As of 55 minutes prior to each Operating Hour (“T-55”), the Transmission Customer Base Schedule data for the Operating Hour will be considered financially binding and Transmission Customers may not submit further changes. If the Transmission Customer fails to enter a Forecast Data value, the default will be 0 MW for that Operating Hour.

#### **4.2.5 Metering for Transmission Customers with Non-Participating Resources**

To assess imbalance, the MO shall disaggregate meter data into 5-minute intervals if the meter intervals are not already programmed to 5-minute intervals pursuant to a Transmission Customer’s applicable interconnection requirements associated with any agreement pursuant to Annexes A and B of this Tariff. To the extent that a Transmission Customer owns the meter or communication to the meter, the Transmission Customer shall be responsible to maintain accurate and timely data accessible for the PSE EIM Entity to comply with Section 4.1.4 of this Attachment O.

### **5. Transmission Operations**

#### **5.1 Provision of Information Regarding Real-Time Status of the Transmission Provider’s Transmission System**

The PSE EIM Entity shall provide the MO information on:

- (1) real time data for the Transmission System and interties; and
- (2) any changes to transmission capacity and the Transmission System due to operational circumstances.

#### **5.2 Provision of EIM Transfer Capacity by a PSE Interchange Rights Holder**

The PSE EIM Entity shall facilitate the provision of transmission capacity for EIM Transfers offered by a PSE Interchange Rights Holder by providing the MO with information about the amounts made available by the PSE Interchange Rights Holder for EIM Transfers.

The provision of EIM Transfer capacity shall be implemented through the PSE Interchange Rights Holder’s submission of an e-Tag by 75 minutes prior to the Operating Hour (“T-75”). The PSE Interchange Rights Holder shall include on the e-Tag the OASIS identification reservation number(s) associated with the transmission rights made available for EIM Transfers and shall also include the Market Operator, all transmission providers, and path operators

associated with the OASIS identification reservation number(s) identified on the e-Tag. The PSE Interchange Rights Holder's rights associated with the submitted e-Tag shall be available for the EIM, subject to approval of the e-Tag by all required e-Tag approval entities.

The amount made available for EIM Transfers shall never exceed the PSE Interchange Rights Holder's transmission rights.

### **5.3 Provision of EIM Transfer Capability by the PSE EIM Entity**

The PSE EIM Entity shall facilitate the provision of transmission capacity for EIM Transfers by providing the MO with information about the amounts available for EIM Transfers utilizing Available Transfer Capability ("ATC"). Such amounts shall be in addition to any amounts made available by PSE Interchange Rights Holders pursuant to Section 5.2 of this Attachment O.

The provision of EIM Transfer capacity corresponding to ATC shall be implemented by 40 minutes prior to the Operating Hour ("T-40") by the PSE EIM Entity. The PSE EIM Entity shall include an e-Tag, with an OASIS identification reservation number(s) created for EIM Transfers utilizing ATC, and shall also include the MO, all transmission providers, and path operators associated with the OASIS identification reservation number(s) identified in the e-Tag. The amount of ATC indicated on the e-Tag will be based upon the lower of the amount of ATC calculated by each EIM Entity at that interface by T-40. The ATC associated with the submitted e-Tag shall be available for the EIM, subject to approval of the e-Tag by all required e-Tag approval entities.

## **6. System Operations Under Normal and Emergency Conditions**

### **6.1 Compliance with Reliability Standards**

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

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

The PSE EIM Entity shall remain responsible for:

- (1) maintaining appropriate operating reserves and for its obligations pursuant to any reserve sharing group agreements;
- (2) NERC and WECC responsibilities including, but not limited to, informing the Reliability Coordinator of issues within PSE's BAA;
- (3) processing e-Tags and managing schedule curtailments at the interties; and

- (4) monitoring and managing real-time flows within system operating limits on all transmission facilities within PSE's BAA, including facilities of PSE BAA Transmission Owners. If requested by a Transmission Customer that is also a PSE BAA Transmission Owner, the PSE EIM Entity will provide additional information or data related to EIM operation as it may relate to facilities of a PSE BAA Transmission Owner.

## **6.2 Good Utility Practice**

The PSE EIM Entity, Transmission Customers with Non-Participating Resources, and Transmission Customers with PSE EIM Participating Resources shall comply with Good Utility Practice with respect to this Attachment O.

## **6.3 Management of Contingencies and Emergencies**

### **6.3.1 EIM Disruption**

If the MO declares an EIM disruption in accordance with Section 29.7(j) of the MO Tariff, the PSE EIM Entity shall, in accordance with Section 29.7(j)(4) of the MO Tariff, promptly inform the MO of actions taken in response to the EIM disruption by providing adjustment information, updates to e-Tags, transmission limit adjustments, or outage and de-rate information, as applicable.

### **6.3.2 Manual Dispatch**

The PSE EIM Entity may issue a Manual Dispatch order to a Transmission Customer with a PSE EIM Participating Resource or a Non-Participating Resource in PSE's BAA, to address reliability or operational issues in PSE's BAA that the EIM is not able to address through normal economic dispatch and congestion management.

The PSE EIM Entity shall inform the MO of a Manual Dispatch as soon as possible.

## **7. Outages**

### **7.1. PSE EIM Entity Transmission Outages**

#### **7.1.1 Planned Transmission Outages and Known Derates**

The PSE EIM Entity shall submit information regarding planned transmission outages and known derates to the MO's outage management system in accordance with Section 29.9(b) of the MO Tariff. The PSE EIM Entity shall update the submittal if there are changes to the transmission outage plan.

### **7.1.2 Unplanned Transmission Outages**

The PSE EIM Entity shall submit information as soon as possible regarding unplanned transmission outages or derates to the MO's outage management system in accordance with Section 29.9(e) of the MO Tariff.

### **7.2 PSE BAA Transmission Owner Outages**

Transmission Customers that are also PSE BAA Transmission Owners shall provide the PSE EIM Entity with planned and unplanned transmission outage data. Planned outages shall be reported to the PSE EIM Entity 7 or more days in advance and preferably at least 30 days in advance of the outage. Unplanned outages shall be reported to the PSE EIM Entity as soon as possible but no later than 30 minutes after the outage commences.

The PSE EIM Entity shall communicate information regarding planned and unplanned outages of PSE BAA Transmission Owner facilities to the MO as soon as practicable upon receipt of the information from the PSE BAA Transmission Owner.

### **7.3 PSE EIM Participating Resource Outages**

#### **7.3.1 Planned PSE EIM Participating Resource Outages and Known Derates**

PSE EIM Participating Resource Scheduling Coordinators shall submit information regarding planned resource outages and known derates to the PSE EIM Entity. Planned outages and known derates shall be reported to the PSE EIM Entity 7 or more days in advance and preferably at least 30 days in advance of the outage or known derate. The PSE EIM Entity shall then submit this outage information to the MO's outage management system in accordance with Section 29.9(c) of the MO Tariff. PSE EIM Participating Resource Scheduling Coordinators shall update the submittal if there are changes to the resource outage plan.

#### **7.3.2 Unplanned PSE EIM Participating Resource Outages**

In the event of an unplanned outage required to be reported under Section 29.9(e) of the MO Tariff, the PSE EIM Participating Resource Scheduling Coordinator is responsible for notifying the PSE EIM Entity of required changes. Unplanned outages shall be reported to the PSE EIM Entity as soon as possible but no later than 30 minutes after the outage commences. The PSE EIM Entity shall then submit this information to the MO's outage management system.

#### **7.3.3 Unplanned Derates**

Changes in availability of 10 MW or 5% of Pmax (whichever is greater) lasting 15 minutes or longer must be reported to the PSE EIM Entity. These reports are due within 30 minutes of discovery, and are required only to include effective time and MW availability. The PSE EIM Entity shall then submit this information to the MO's outage management system.

## **7.4 Outages of Transmission Customers with Non-Participating Resources**

### **7.4.1 Planned Outages and Known Derates of Transmission Customers with Non-Participating Resources**

Transmission Customers with Non-Participating Resources shall report information regarding planned outages and known derates of resources to the PSE EIM Entity 7 or more days in advance and preferably at least 30 days in advance of the outage. The Transmission Customer with a Non-Participating Resource shall update the submittal if there are changes to the resource's outage plan.

The PSE EIM Entity shall submit planned resource outages and known derates of Non-Participating Resources to the MO's outage management system in accordance Section 29.9(c) of the MO Tariff.

### **7.4.2 Unplanned Outages of Resources of Transmission Customers with Non-Participating Resources**

Unplanned outages of resources of a Transmission Customer with Non-Participating Resources shall be reported to the PSE EIM Entity as soon as possible but no later than 30 minutes after the outage commences.

In the event of a forced outage required to be reported under Section 29.9(e) of the MO Tariff, the PSE EIM Entity is responsible for notifying the MO of required changes through the MO's outage management system.

### **7.4.3 Unplanned Derates**

Changes in availability of 10 MW or 5% of Pmax (whichever is greater) lasting 15 minutes or longer must be reported to the PSE EIM Entity. These reports are due within 30 minutes of discovery, and are required only to include effective time and MW availability. The PSE EIM Entity shall then submit this information to the MO's outage management system.

## **8. EIM Settlements and Billing**

The PSE EIM BP shall include information on the specific charge codes applicable to EIM settlement.

### **8.1 Instructed Imbalance Energy (IIE)**

The PSE EIM Entity shall settle as IIE imbalances that result from (1) operational adjustments of a Transmission Customer's affected Interchange or Intrachange, which includes changes by a Transmission Customer after T-57, (2) resource imbalances created by Manual Dispatch or an EIM Available Balancing Capacity dispatch, or (3) an adjustment to resource imbalances created by adjustments to resource forecasts pursuant to Section 11.5 of the MO Tariff and using the RTD or FMM price at the applicable PNode. Any allocations to the PSE EIM Entity pursuant

to Section 29.11(b)(1) and (2) of the MO Tariff for IIE that is not otherwise recovered under Schedule 9 of this Tariff shall be settled directly with each Transmission Customer according to this Section 8.1.

## **8.2 Uninstructed Imbalance Energy (UIE)**

Any charges or payments to the PSE EIM Entity pursuant to Section 29.11(b)(3)(B) and (C) of the MO Tariff for UIE not otherwise recovered under Schedule 4, Schedule 4R, or Schedule 9 shall not be sub-allocated to Transmission Customers.

## **8.3 Unaccounted for Energy (UFE)**

Any charges to the PSE EIM Entity pursuant to Section 29.11(c) of the MO Tariff for UFE shall not be sub-allocated to Transmission Customers.

## **8.4 Charges for Under-Scheduling or Over-Scheduling Load**

### **8.4.1 Under-Scheduling Load**

Any charges to the PSE EIM Entity pursuant to Section 29.11(d)(1) of the MO Tariff for under-scheduling load shall be assigned to the Transmission Customers subject to Schedule 4 and Schedule 4R based on each Transmission Customer's respective under-scheduling imbalance ratio share, which is the ratio of the Transmission Customer's under-scheduled load imbalance amount relative to all other Transmission Customers' under-scheduled load imbalance amounts who have under-scheduled load for the Operating Hour, expressed as a percentage.

### **8.4.2 Over-Scheduling Load**

Any charges to the PSE EIM Entity pursuant to Section 29.11(d)(2) of the MO Tariff for over-scheduling load shall be assigned to the Transmission Customers subject to Schedule 4 and Schedule 4R based on each Transmission Customer's respective over-scheduling imbalance ratio share, which is the ratio of the Transmission Customer's over-scheduled load imbalance amount relative to all other Transmission Customers' over-scheduled load imbalance amounts who have over-scheduled load for the Operating Hour, expressed as a percentage.

### **8.4.3 Distribution of Under-Scheduling or Over-Scheduling Proceeds**

Any payment to the PSE EIM Entity pursuant to Section 29.11(d)(3) of the MO Tariff shall be distributed to Transmission Customers that were not subject to underscheduling or over-scheduling charges during the Trading Day on the basis of Metered Demand and in accordance with the procedures outlined in the PSE EIM BP.

## **8.5 EIM Uplifts**

### **8.5.1 EIM BAA Real-Time Market Neutrality (Real-Time Imbalance Energy Offset - BAA)**

Any charges to the PSE EIM Entity pursuant to Section 29.11(e)(3) of the MO Tariff for EIM BAA real-time market neutrality shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

### **8.5.2 EIM Entity BAA Real-Time Congestion Offset**

Any charges to the PSE EIM Entity pursuant to Section 29.11(e)(2) of the MO Tariff for the EIM real-time congestion offset shall be allocated to Transmission Customers on the basis of Measured Demand.

### **8.5.3 EIM Entity Real-Time Marginal Cost of Losses Offset**

Any charges to the PSE EIM Entity pursuant to Section 29.11(e)(4) of the MO Tariff for real-time marginal cost of losses offset shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

### **8.5.4 EIM Neutrality Settlement**

Any charges to the PSE EIM Entity pursuant to Section 29.11(e)(5) of the MO Tariff for EIM neutrality settlement shall be sub-allocated as follows:

<b>Description</b>	<b>Allocation</b>
Neutrality Adjustment (monthly and daily)	Measured Demand
Rounding Adjustment (monthly and daily)	Measured Demand

### **8.5.5 Real-Time Bid Cost Recovery**

Any charges to the PSE EIM Entity pursuant to Section 29.11(f) of the MO Tariff for EIM real-time bid cost recovery shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

### **8.5.6 Flexible Ramping Product**

Any charges or payments to the PSE EIM Entity pursuant to Section 29.11(p) of the MO Tariff for the Flexible Ramping Product shall be sub-allocated to Transmission Customers as follows.

<b>Description</b>	<b>Allocation</b>
Flexible Ramping Forecasted Movement resource settlement	Measured Demand

Flexible Ramping Forecasted Movement demand allocation	Metered Demand
Daily Flexible Ramping Uncertainty Award (in both the upward and downward directions)	Measured Demand
Monthly Flexible Ramping Uncertainty Award (in both the upward and downward directions)	Measured Demand
Any other Flexible Ramping Product charges or payments	Measured Demand

### **8.5.7 Inaccurate or Late Actual Settlement Quality Meter Data Penalty**

To the extent the PSE EIM Entity incurs a penalty for inaccurate or late actual settlement quality meter data, pursuant to Section 37.11.1 of the MO Tariff, the PSE EIM Entity shall directly assign the penalty to the offending Transmission Customer.

### **8.5.8 Other EIM Settlement Provisions**

Any charges to the PSE EIM Entity pursuant to the MO Tariff for the EIM settlement provisions shown in the following table shall be sub-allocated as follows:

<b>Description</b>	<b>Allocation</b>
Invoice Deviation (distribution and allocation)	PSE EIM Entity
Generator Interconnection Process Forfeited Deposit Allocation	PSE EIM Entity
Default Invoice Interest Payment	PSE EIM Entity
Default Invoice Interest Charge	PSE EIM Entity
Invoice Late Payment Penalty	PSE EIM Entity
Financial Security Posting (Collateral) Late Payment Penalty	PSE EIM Entity
Shortfall Receipt Distribution	PSE EIM Entity
Shortfall Reversal	PSE EIM Entity
Shortfall Allocation	PSE EIM Entity
Default Loss Allocation	PSE EIM Entity

### **8.6 MO Tax Liabilities**

Any charges to the PSE EIM Entity pursuant to Section 29.22(a) of the MO Tariff for MO tax liability as a result of the EIM shall be sub-allocated to those Transmission Customers triggering the tax liability.

### **8.7 EIM Transmission Service Charges**

There shall be no incremental transmission charge assessed for transmission use related to the EIM.



Unreserved Use Penalties shall apply to any amount of actual metered generation in an Operating Hour, if any, which is in excess of the sum of both: (1) the greatest positive Dispatch Operating Point or Manual Dispatch of the PSE EIM Participating Resource received during the Operating Hour, and (2) the Transmission Customer's Reserved Capacity. Any ancillary service charges that are applicable to Unreserved Use Penalty charges shall apply.

## **8.8 Variable Energy Resource Forecast Charge**

Any costs incurred by the PSE EIM Entity related to the preparation and submission of resource Forecast Data for a Transmission Customer with a Non-Participating Resource electing either method (1) or (2), as set forth in Section 4.2.4.2 of this Attachment O, shall be allocated to the Transmission Customer with a Non-Participating Resource electing to use either such method.

For a Transmission Customer with a Non-Participating Resource electing method (3), as set forth in Section 4.2.4.2 of this Attachment O, any charges to the PSE EIM Entity pursuant to Section 29.11(j)(1) of the MO Tariff for Variable Energy Resource forecast charges shall be sub-allocated to the Transmission Customer with a Non-Participating Resource requesting such forecast.

## **8.9 EIM Payment Calendar**

Pursuant to Section 29.11(l) of the MO Tariff, the PSE EIM Entity shall be subject to the MO's payment calendar for issuing settlement statements, exchanging invoice funds, submitting meter data, and submitting settlement disputes to the MO. The PSE EIM Entity shall follow Section 7 of this Tariff for issuing invoices regarding the EIM.

## **8.10 EIM Residual Balancing Account**

To the extent that MO EIM-related charges or payments to the PSE EIM Entity are not captured elsewhere in Attachment H-1, Schedules 1, 1A, 4, 4R, and 9 of this Tariff, or this Section 8, those charges or payments shall be placed in a balancing account, with interest accruing at the rate established in 18 C.F.R. § 35.19(a)(2)(iii), until PSE makes a filing with the Commission pursuant to Section 205 of the Federal Power Act proposing an allocation methodology.

## **8.11 Market Validation and Price Correction**

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

## **8.12 Allocation of Operating Reserves**

### **8.12.1 Payments**

Any payments to the PSE EIM Entity pursuant to Section 29.11(n)(1) of the MO Tariff for

operating reserve obligations shall be sub-allocated to Transmission Customers with PSE EIM Participating Resources in the PSE BAA for Operating Hours during which EIM Transfers from the PSE BAA to another BAA occurred. Payments shall be sub-allocated on a ratio-share basis, defined as the proportion of the volume of Operating Reserves provided by a PSE EIM Participating Resource in the PSE BAA dispatched during the Operating Hour compared to the total volume of Operating Reserves provided by all PSE EIM Participating Resources dispatched in the PSE BAA for the Operating Hour.

### **8.12.2 Charges**

Any charges to the PSE EIM Entity pursuant to Section 29.11(n)(2) of the MO Tariff for operating reserve obligations shall not be sub-allocated to Transmission Customers.

## **9. Compliance**

### **9.1 Provision of Data**

Transmission Customers with PSE EIM Participating Resources and PSE EIM Participating Resource Scheduling Coordinators are responsible for complying with information requests they receive directly from the EIM market monitor or regulatory authorities concerning EIM activities.

A Transmission Customer with PSE EIM Participating Resources or a Transmission Customer with Non-Participating Resources must provide the PSE EIM Entity with all data necessary to respond to information requests received by the PSE EIM Entity from the MO, the EIM market monitor, or regulatory authorities concerning EIM activities.

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

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

### **9.2 Rules of Conduct**

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

Transmission Customers must:

- (1) Comply with Dispatch Instructions and PSE EIM Entity operating orders in accordance with Good Utility Practice. If some limitation prevents the Transmission Customer from fulfilling the action requested by the MO or the PSE EIM Entity, the Transmission Customer must immediately and directly communicate the nature of any such limitation to the PSE EIM Entity;
- (2) Submit bids for resources that are reasonably expected to both be and remain available and capable of performing at the levels specified in the bid, based on all information that is known or should have been known at the time of submission;
- (3) Notify the MO and/or the PSE EIM Entity, as applicable, of outages in accordance with Section 7 of this Attachment O;
- (4) Provide complete, accurate, and timely meter data to the PSE EIM Entity in accordance with the metering and communication requirements of this Tariff, and maintain responsibility to ensure the accuracy of such data communicated by any customer-owned metering or communications systems. To the extent such information is not accurate or timely when provided to the PSE EIM Entity, the Transmission Customer shall be responsible for any consequence on settlement and billing;
- (5) Provide information to the PSE EIM Entity, including the information requested in Sections 4.2.1, 4.2.2, 4.2.3, 4.2.4 and 9.1 of this Attachment O, by the applicable deadlines; and
- (6) Utilize commercially-reasonable efforts to ensure that forecasts are accurate and based on all information that is known or should have been known at the time of submission to the PSE EIM Entity.

### **9.3 Enforcement**

The PSE EIM Entity may refer a violation of Section 9.2 of this Attachment O to FERC. Violations of these rules of conduct may be enforced by FERC in accordance with FERC's rules and procedures. Nothing in this Section 9 is meant to limit any other remedy before FERC or any applicable judicial, governmental, or administrative body.

## **10. Market Contingencies**

### **10.1 Temporary Suspension by the MO**

In the event that the MO implements a temporary suspension in accordance with Section 29.1(d)(1) of the MO Tariff, including the actions identified in Section 29.1(d)(5), the PSE EIM Entity shall utilize Temporary Schedules 4, 4R, 9, 12, and 12A in accordance with Sections 10.4.1, 10.4.2, 10.4.3, 10.4.4, and 10.4.5 of this Attachment O until the temporary suspension is no longer in effect or, if the MO determines to extend the suspension, for a period of time sufficient to process termination of the PSE EIM Entity's participation in the EIM in accordance with Section 29.1(d)(2) of the MO Tariff.

### **10.2 Termination of Participation in EIM by the PSE EIM Entity**

If the PSE EIM Entity submits a notice of termination of its participation in the EIM to the MO in accordance with the applicable agreements and Section 4.1.1.5 of this Attachment O, in order to mitigate price exposure during the 180-day period between submission of the notice and the termination effective date, the PSE EIM Entity may invoke the following corrective actions by requesting that the MO:

- (1) prevent EIM Transfers and separate the PSE EIM Entity's BAA from operation of the EIM in the EIM Area; and
- (2) suspend settlement of EIM charges with respect to the PSE EIM Entity.

Once such corrective actions are implemented by the MO, the PSE EIM Entity shall utilize Temporary Schedules 4, 4R, 9, 12 and 12A in accordance with Sections 10.4.1, 10.4.2, 10.4.3, 10.4.4, and 10.4.5 of this Attachment O.

If the PSE EIM Entity takes action under this Section 10.2, the PSE EIM Entity shall notify the MO and Transmission Customers.

### **10.3 Corrective Actions Taken by the PSE EIM Entity for Temporary Contingencies**

The PSE EIM Entity may declare a temporary contingency and invoke corrective actions for the EIM when in its judgment -

- (1) operational circumstances (including a failure of the EIM to produce feasible results in PSE's BAA) have caused or are in danger of causing an abnormal system condition in PSE's BAA that requires immediate action to prevent loss of load, equipment damage, or tripping system elements that might result in cascading outages, or to restore system operation to meet the applicable Reliability Standards and reliability criteria established by NERC and WECC; or
- (2) communications between the MO and the PSE EIM Entity are disrupted and

prevent the PSE EIM Entity, the PSE EIM Entity Scheduling Coordinator, or a PSE EIM Participating Resource Scheduling Coordinator from accessing MO systems to submit or receive information.

### **10.3.1 Corrective Actions for Temporary Contingencies**

If either of the above temporary contingencies occurs, the PSE EIM Entity may invoke the following corrective actions by requesting that the MO:

- (1) prevent EIM Transfers and separate the PSE EIM Entity's BAA from operation of the EIM in the EIM Area; and/or
- (2) suspend settlement of EIM charges with respect to the PSE EIM Entity.

When corrective action under 10.3.1 (2) is implemented or if the MO Tariff requires the use of these temporary schedules to set an administrative price, the PSE EIM Entity shall utilize Temporary Schedules 4, 4R, 9, 12, and 12A in accordance with Sections 10.4.1, 10.4.2, 10.4.3, 10.4.4, and 10.4.5 of this Attachment O.

If the PSE EIM Entity takes action under this Section 10.3, the PSE EIM Entity shall notify the MO and Transmission Customers. The PSE EIM Entity and the MO shall cooperate to resolve the temporary contingency event and restore full EIM operations as soon as is practicable.

## **10.4 Temporary Schedules 4, 4R, 9, 12, and 12A**

### **10.4.1 Temporary Schedule 4 Energy Imbalance Service**

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour (plus real power losses). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly energy imbalances under this Temporary Schedule or a penalty for hourly generator imbalances under Temporary Schedule 9 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for energy imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, using the Hourly Pricing Proxy, (ii) deviations greater than

+/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of the Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling.

For any hour for which Transmission Provider assesses any charge for Energy Imbalance Service under this Temporary Schedule 4 based on 110 percent or 125 percent of the Hourly Pricing Proxy, Transmission Provider shall credit to non-offending Transmission Customers for such hour the amount by which such charge exceeded the Hourly Pricing Proxy.

#### **10.4.2 Temporary Schedule 4R Energy Imbalance Service for Transmission Customers Taking Service Under Transmission Provider's Schedule 448 and Schedule 449**

This Temporary Schedule 4R applies only to Transmission Customers that take service under Transmission Provider's Schedules 448 and 449, on file with the Washington Utilities and Transportation Commission. Temporary Schedule 4R applies in place of Temporary Schedule 4 for any such customer; Transmission Customers will be charged or paid for imbalance energy under Temporary Schedule 4 or Temporary Schedule 4R but not both. Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour (plus real power losses). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly energy imbalances under this Temporary Schedule or a penalty for hourly generator imbalances under Temporary Schedule 9 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for energy imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, using the Hourly Pricing Proxy, (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each

month, at 110 percent of the Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling.

For any hour for which Transmission Provider assesses any charge for Energy Imbalance Service under this Temporary Schedule 4R based on 110 percent or 125 percent of the Hourly Pricing Proxy, Transmission Provider shall credit to non-offending Transmission Customers for such hour the amount by which such charge exceeded the Hourly Pricing Proxy.

#### **10.4.3 Temporary Schedule 9 Generator Imbalance Service**

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour (plus real power losses). The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when transmission service is used to deliver energy from a generator located within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Temporary Schedule 9 or a penalty for hourly energy imbalances under Temporary Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other. To the extent the Interconnection Customer is a different entity than the Transmission Customer and controls the output of a generator located in the Transmission Provider's Control Area, the Interconnection Customer may be subject to charges for Generator Imbalance Service (rather than the Transmission Customer) in accordance with this Temporary Schedule 9.

The Transmission Provider shall establish charges for generator imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of each month, at the Hourly Pricing Proxy, (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of the Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as

a result of the Transmission Customer's scheduled transaction(s) will be settled at 125 percent of the Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. An intermittent resource, for the limited purpose of this Schedule is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

Notwithstanding the foregoing, deviations from scheduled transactions in order to respond to directives by the Transmission Provider, a balancing authority, or a reliability coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent of the Hourly Pricing Proxy. Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

For any hour for which Transmission Provider assesses any charge for Generator Imbalance Service under this Temporary Schedule 9 based on 110 percent or 125 percent of the Hourly Pricing Proxy, Transmission Provider shall credit to non-offending Transmission Customers for such hour the amount by which such charge exceeded the Hourly Pricing Proxy.

#### **10.4.4 Temporary Schedule 12 - Real Power Losses on Washington Area Transmission Facilities**

A transmission customer taking Network Integration Transmission Service, Firm or Non-Firm Point-to-Point Transmission Service shall be responsible for Real Power Losses as provided for in Sections 15.7 and 28.5 of the Tariff. For each hour where the Transmission Provider provides loss service, the Transmission Customer shall compensate the Transmission Provider at a rate equal to the Hourly Pricing Proxy for energy for such hour based on the product of the actual transmission service provided (scheduled service less any curtailments, corrections or adjustments mutually agreed on by the Transmission Provider and the Transmission Customer) during each hour in MWs and the applicable loss factor provided in Sections 15.7 and 28.5 of the Tariff.

#### **10.4.5 Temporary Schedule 12A - Real Power Losses on Colstrip and Southern Intertie Transmission Lines**

A transmission customer taking service over the Colstrip and Southern Intertie High Voltage Direct Assignment Facilities pursuant to Schedule 10 of the Tariff shall be responsible for Real Power Losses as provided for in Sections 15.7 and 28.5 of the Tariff. For each hour where the Transmission Provider provides loss service, the Transmission Customer shall compensate the Transmission Provider at a rate equal to the Hourly Pricing Proxy for energy for such hour based on the product of the actual transmission service provided (scheduled service less any curtailments, corrections or adjustments mutually agreed on by the Transmission Provider and the Transmission Customer) during each hour in MWs and the applicable loss factor provided in Sections 15.7 and 28.5 of the Tariff.



## ATTACHMENT P

### Transmission Line Ratings

#### General:

The Transmission Provider will implement Transmission Line Ratings on the transmission lines over which it provides Transmission Service, as provided below.

#### Definitions:

The following definitions apply for purposes of this Attachment:

- (1) “Transmission Line Rating” means the maximum transfer capability of a transmission line, computed in accordance with a written Transmission Line Rating methodology and consistent with Good Utility Practice, considering the technical limitations on conductors and relevant transmission equipment (such as thermal flow limits), as well as technical limitations of the Transmission System (such as system voltage and stability limits). Relevant transmission equipment may include, but is not limited to, circuit breakers, line traps, and transformers.
- (2) “Ambient-Adjusted Rating” (AAR) means a Transmission Line Rating that:
  - (a) Applies to a time period of not greater than one hour.
  - (b) Reflects an up-to-date forecast of ambient air temperature across the time period to which the rating applies.
  - (c) Reflects the absence of solar heating during nighttime periods, where the local sunrise/sunset times used to determine daytime and nighttime periods are updated at least monthly, if not more frequently.
  - (d) Is calculated at least each hour, if not more frequently.
- (3) “Seasonal Line Rating” means a Transmission Line Rating that:
  - (a) Applies to a specified season, where seasons are defined by the Transmission Provider to include not fewer than four seasons in

each year, and to reasonably reflect portions of the year where expected high temperatures are relatively consistent.

(b) Reflects an up-to-date forecast of ambient air temperature across the relevant season over which the rating applies.

(c) Is calculated annually, if not more frequently, for each season in the future for which Transmission Service can be requested.

(4) “Near-Term Transmission Service” means Transmission Service which ends not more than 10 days after the Transmission Service request date. When the description of obligations below refers to either a request for information about the availability of potential Transmission Service (including, but not limited to, a request for ATC), or to the posting of ATC or other information related to potential service, the date that the information is requested or posted will serve as the Transmission Service request date. “Near-Term Transmission Service” includes any Point-To-Point Transmission Service, Network Resource designations, or secondary service where the start and end date of the designation or request is within the next 10 days.

(5) “Emergency Rating” means a Transmission Line Rating that reflects operation for a specified, finite period, rather than reflecting continuous operation. An Emergency Rating may assume an acceptable loss of equipment life or other physical or safety limitations for the equipment involved.

#### System Reliability:

If the Transmission Provider reasonably determines, consistent with Good Utility Practice, that the temporary use of a Transmission Line Rating different than would otherwise be required by this Attachment is necessary to ensure the safety and reliability of the Transmission System, then the Transmission Provider may use such an alternate rating. The Transmission Provider must document in its database of Transmission Line Ratings and Transmission Line Rating methodologies on OASIS or another password-protected website, as required by this Attachment, the use of an alternate Transmission Line Rating under this paragraph, including the nature of and basis for the alternate rating, the date and time that the alternate rating was initiated, and (if applicable) the date and time that the alternate rating was withdrawn and the standard rating became effective again.

## Obligations of Transmission Provider:

The Transmission Provider will have the following obligations.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when performing any of the following functions: (1) evaluating requests for Near-Term Transmission Service; (2) responding to requests for information on the availability of potential Near-Term Transmission Service (including requests for ATC or other information related to potential service); or (3) posting ATC or other information related to Near-Term Transmission Service to the Transmission Provider's OASIS site or another password-protected website.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when determining whether to curtail (under section 13.6) Firm Point-To-Point Transmission Service or when determining whether to curtail and/or interrupt (under section 14.7) Non-Firm Point-To-Point Transmission Service if such curtailment and/or interruption is both necessary because of issues related to flow limits on transmission lines and anticipated to occur (start and end) within 10 days of such determination. For determining whether to curtail or interrupt Point-To-Point Transmission Service in other situations, the Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when determining whether to curtail (under section 33) or redispatch (under sections 30.5 and/or 33) Network Integration Transmission Service or secondary service if such curtailment or redispatch is both necessary because of issues related to flow limits on transmission lines and anticipated to occur (start and end) within 10 days of such determination. For determining the necessity of curtailment or redispatch of Network Integration Transmission Service or secondary service in other situations, the Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings.

The Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings when evaluating requests for and whether to curtail, interrupt, or redispatch any Transmission Service not otherwise covered above in this section (including, but not limited to, requests for non-Near-Term Transmission Service or requests to designate or change the designation of Network Resources or Network Load), when developing any ATC or other information posted or provided to potential customers related to such services. The Transmission Provider must use Seasonal Line Ratings as a recourse rating in the event that an AAR otherwise required to be used under this Attachment is unavailable.

The Transmission Provider must use uniquely determined Emergency Ratings for contingency analysis in the operations horizon and in post-contingency simulations of constraints. Such uniquely determined Emergency Ratings must also include separate AAR calculations for each Emergency Rating duration used.

In developing forecasts of ambient air temperature for AARs and Seasonal Line Ratings, the Transmission Provider must develop such forecasts consistent with Good Utility Practice and on a non-discriminatory basis.

Postings to OASIS or another password-protected website: The Transmission Provider must maintain on the password-protected section of its OASIS page or on another password-protected website a database of Transmission Line Ratings and Transmission Line Rating methodologies. The database must include a full record of all Transmission Line Ratings, both as used in real-time operations, and as used for all future periods for which Transmission Service is offered. Any postings of temporary alternate Transmission Line Ratings or exceptions used under the System Reliability section above or the Exceptions section below, respectively, are considered part of the database. The database must include records of which Transmission Line Ratings and Transmission Line Rating methodologies were in effect at which times over at least the previous five years, including records of which temporary alternate Transmission Line Ratings or exceptions were in effect at which times during the previous five years. Each record in the database must indicate which transmission line the record applies to, and the date and time the record was entered into the database. The database must be maintained such that users can view, download, and query data in standard formats, using standard protocols.

Sharing with Transmission Providers: The Transmission Provider must share, upon request by any Transmission Provider and in a timely manner, the following information:

- (1) Transmission Line Ratings for each period for which Transmission Line Ratings are calculated, with updated ratings shared each time Transmission Line Ratings are calculated, and
- (2) Written Transmission Line Rating methodologies used to calculate the Transmission Line Ratings in (1) above.

Exceptions: Where the Transmission Provider determines, consistent with Good Utility Practice, that the Transmission Line Rating of a transmission line is not affected by ambient air temperature or solar heating, the Transmission Provider may use a Transmission Line Rating for that transmission line that is not an AAR or Seasonal Line Rating. Examples of such a transmission line may include (but

are not limited to): (1) a transmission line for which the technical transfer capability of the limiting conductors and/or limiting transmission equipment is not dependent on ambient air temperature or solar heating; or (2) a transmission line whose transfer capability is limited by a Transmission System limit (such as a system voltage or stability limit) which is not dependent on ambient air temperature or solar heating. The Transmission Provider must document in its database of Transmission Line Ratings and Transmission Line Rating methodologies on OASIS or another password-protected website any exceptions to the requirements contained in this Attachment initiated under this paragraph, including the nature of and basis for each exception, the date(s) and time(s) that the exception was initiated, and (if applicable) the date(s) and time(s) that each exception was withdrawn and the standard rating became effective again. If the technical basis for an exception under this paragraph changes, then the Transmission Provider must update the relevant Transmission Line Rating(s) in a timely manner. The Transmission Provider must reevaluate any exceptions taken under this paragraph at least every five years.

**ANNEX A**

**STANDARD LARGE GENERATOR  
INTERCONNECTION PROCEDURES (LGIP)**

**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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## Section 1 Definitions

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

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

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

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

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

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

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

**Applicable Reliability Standards** shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

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

**Breach** shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

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

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

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

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

Impact Study.

**Commercial Operation** shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

**Commercial Operation Date** of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

**Confidential Information** shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

**Contingent Facilities** shall mean those unbuilt Interconnection Facilities 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 Re-Studies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

**Control Area** shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by an Applicable Reliability Council.

**Default** shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

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

**Distribution System** shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

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

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

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

**Energy Resource Interconnection Service** shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

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

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

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

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

**Force Majeure** shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

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

**Generating Facility Capacity** shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

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

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

**Hazardous Substances** shall mean any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “hazardous constituents,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “radioactive substances,” “contaminants,” “pollutants,” “toxic pollutants” or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

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

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

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

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

**Interconnection Facilities** shall mean the Transmission Provider’s Interconnection Facilities and the Interconnection Customer’s Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility



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

**Interconnection Facilities Study** shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

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

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

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

**Interconnection Request** shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

**Interconnection Service** shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

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

**Interconnection System Impact Study** shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse

System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

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

**IRS** shall mean the Internal Revenue Service.

**Joint Operating Committee** shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

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

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

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

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

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

**Network Resource** shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

**Network Resource Interconnection Service** shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey

transmission service.

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

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

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

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

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

**Permissible Technological Advancement** shall mean a Technological Advancement that (i) will not increase the interconnection customer's requested interconnection service or cause any reliability concerns (i.e., materially impact the transmission system with regard to short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response); (ii) does not involve a change in the electrical characteristics of an interconnection request; and (iii) 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). A Permissible Technological Advancement is not a Material Modification. A Technological Advancement that is not a Permissible Technological Advancement would be 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 the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

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

**Provisional Interconnection Service** shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

**Provisional Large Generator Interconnection Agreement** shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

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

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

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

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

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

**Stand Alone Network Upgrades** shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

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

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

Generating Facility that are included in the Transmission Provider's Tariff.

**Surplus Interconnection Service** shall mean any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

**System Protection Facilities** shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

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

**Technological Advancement** shall mean a technological change to generating facility equipment that may achieve cost and grid performance efficiencies – i.e., a technical change that results in electrical performance that is equal to or better than the electrical performance expected without the technological change. Technological Advancements may include advancements to turbines, inverters, plant supervisory controls, or other technological advancements that may affect a generating facility's ability to provide ancillary services. Technological Advancements do not include changes in generation technology or fuel type (e.g., from wind to solar, or gas to wind) or other advances that involve a change in the electrical characteristics of an interconnection request.

**Transmission Owner** shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

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

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

**Transmission System** shall mean the facilities owned, controlled or operated by the

Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

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

## **Section 2     Scope and Application**

### **2.1     Application of Standard Large Generator Interconnection Procedures**

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

### **2.2     Comparability**

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

### **2.3     Base Case Data**

Transmission Provider shall maintain base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list on either its OASIS site or a password-protected website, subject to confidentiality provisions in LGIP Section 13.1. In addition, Transmission Provider shall maintain network models and underlying assumptions on either its OASIS site or a password-protected website. Such network models and underlying assumptions should reasonably represent those used during the most recent interconnection study and be representative of current system conditions. If Transmission Provider posts this information on a password-protected website, a link to the information must be provided on Transmission Provider's OASIS site. Transmission Provider is permitted to require that Interconnection Customer, 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     EIM Requirements**

The Interconnection Customer shall have a continuing duty to comply with Attachment O of this Tariff, as applicable.

## **Section 3      Interconnection Requests**

### **3.1      General**

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

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

Transmission Provider 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 and Network Upgrades, but may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by the Interconnection Customer. If after the additional studies are complete, Transmission Provider determines that additional Network Upgrades are necessary, then Transmission Provider must: (1) specify which additional Network Upgrade costs are based on which studies; and (2) provide a detailed explanation of why the additional Network Upgrades are necessary. Any Interconnection Facility and/or Network Upgrade costs required for safety and reliability also will be borne by the Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of the executed, or requested to be filed unexecuted, 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 Facility 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 and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Large Generating Facility without requiring additional Network Upgrades.

### **3.2.2 Network Resource Interconnection Service**

#### **3.2.2.1 The Product**

Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service Allows Interconnection Customer's Large Generating Facility to be designated as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur.

#### **3.2.2.2 The Study**

The Interconnection Study for Network Resource

Interconnection Service shall assure that Interconnection Customer's Large Generating Facility meets the requirements for Network Resource Interconnection Service and as a general matter, that such Large Generating Facility's interconnection is also studied with Transmission Provider's Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Large Generating Facility at full output, the aggregate of generation in the local area can be delivered to the aggregate of load on Transmission Provider's Transmission System, consistent with Transmission Provider's reliability criteria and procedures. This approach assumes that some portions of existing Network Resources are displaced by the output of Interconnection Customer's Large Generating Facility. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

### **3.3 Utilization of Surplus Interconnection Service**

Transmission Provider 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.

#### **3.3.1 Surplus Interconnection Service Requests**

Surplus Interconnection Service requests may be made by the existing Interconnection Customer whose Generating Facility is already interconnected or one of its affiliates. Surplus Interconnection Service requests also may be made by another Interconnection Customer. Transmission Provider shall provide a process for evaluating Interconnection Requests for Surplus Interconnection Service. Studies for Surplus Interconnection Service shall consist of reactive power, short circuit/fault duty, stability analyses, and any other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. If the Surplus Interconnection Service was not studied under off-peak conditions, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original 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 for Surplus Interconnection Service will identify any additional Interconnection Facilities and/or Network Upgrades necessary.

### **3.3.2 Surplus Interconnection Service Process**

To initiate a request for Surplus Interconnection Service, a requester must submit a request for Surplus Interconnection Service in the form of the Surplus Interconnection Service request template found in the Surplus Interconnection Service business practice posted on Transmission Provider's OASIS. If an existing Interconnection Customer seeks to transfer Surplus Interconnection Service to an affiliate or third party, such arrangement shall be finalized prior to initiating a request for Surplus Interconnection Service, so that a complete request can be provided to Transmission Provider.

#### **3.3.2.1 Surplus Interconnection Service Study Agreement**

Within ten (10) Business Days following a completed request for Surplus Interconnection Service, including deposit payment in the amount of \$15,000, Transmission Provider shall provide to requester (i) a Surplus Interconnection Service Study Agreement, in the form of the template included in the Surplus Interconnection Service business practice posted on Transmission Provider's OASIS, and (ii) a non-binding good faith estimate of the cost and time frame for completing the Surplus Interconnection Service Study.

Within five (5) Business Days of receipt of such document, the requester shall execute and deliver the Surplus Interconnection Service Study Agreement to Transmission Provider. Any difference between the deposit and the actual cost of the study shall be paid by or refunded to the requester of the Surplus Interconnection Service, as appropriate.

#### **3.3.2.2 Surplus Interconnection Service Request Queue**

Requests for Surplus Interconnection Service shall be maintained in a queue separate from the standard Interconnection Request queue. Upon receipt of a request for Surplus Interconnection Service, Transmission Provider shall assign a Surplus Interconnection Service queue position based upon the date and time of receipt of the request. The Surplus Interconnection Service queue position will be used to determine the order Transmission Provider performs the Surplus Interconnection Service Impact Studies.

#### **3.3.2.3 Surplus Interconnection Service Impact Study**

Transmission Provider will use reasonable efforts to complete the Surplus

Interconnection Service Impact Study within sixty (60) Calendar Days of receipt of a completed request for Surplus Interconnection Service, including payment of the deposit. Transmission Provider will notify the Surplus Interconnection Service requester if it anticipates that the relevant impact studies will not be completed within such time and will provide an estimate of the expected date of completion.

Transmission Provider may waive any or all of the additional studies if it determines that there is no reasonable expectation that the requested Surplus Interconnection Service will negatively impact the reliability of the Transmission System or that no additional Interconnection Facilities or Network Upgrades will be necessary.

A request for Surplus Interconnection Service will not be approved if Network Upgrades are required to accommodate such request, including Network Upgrades to an Affected System. If other directly assignable interconnection facilities are needed to connect the Surplus Interconnection Service customer to the original Interconnection Customer's Interconnection Facilities, the costs for, and construction of, those facilities are the sole responsibility of the requester.

#### **3.3.2.4 Surplus Interconnection Service Agreement**

If Transmission Provider determines that no additional impact studies are required, determines that there are no impacts requiring additional Interconnection Facilities or Network Upgrades, or posts a final Surplus Interconnection Service Impact Study report, Transmission Provider will tender a draft agreement for Surplus Interconnection Service and proceed consistent with the procedures of Section 11 of the LGIP. The original Interconnection Customer, the Surplus Interconnection Service customer (if not the original Interconnection Customer), and the Transmission Provider shall be parties to the agreement for Surplus Interconnection Service.

The Surplus Interconnection Service Agreement shall take a form similar to Appendix 6 of the LGIP, except it shall additionally provide for the following:

1. The combined Surplus Interconnection Service limit and the modified Interconnection Service limit for the existing Generating Facility (MW, MVAR, MVA output) shall not at any time exceed the original Interconnection Service limit.
2. Surplus Interconnection Service customer's output shall be limited to zero when the Agreement is not in effect.
3. The original Interconnection Customer and Surplus Interconnection Service customer shall be responsible for maintaining the net injection

at the Point of Interconnection such that the sum of the simultaneous energy output of the new Generating Facility and the existing generating facility shall not exceed the original Interconnection Service limit. In the event the net energy injection at the Point of Interconnection exceeds the original Interconnection Service limit, Transmission Provider reserves the right to require the new Generating Facility to implement any requirements existing for the Interconnection Customer, including a runback scheme, or to open breakers connecting the new Generating Facility and existing Generating Facility to Transmission System.

4. Transmission Provider may request data on the service levels of both the original Interconnection Customer and the Surplus Interconnection Service customer at any time and may monitor service levels at all times. The Surplus Interconnection Service customer shall provide periodic reports on peak MW, MVA and MVAR output of the Generating Facility and the existing generating facility, as required by Transmission Provider.
5. The circumstances under which exceedances of the original Interconnection Service limit constitutes Breach of the Surplus Interconnection Service Agreement.

### **3.4 Valid Interconnection Request**

#### **3.4.1 Initiating an Interconnection Request**

To initiate an Interconnection Request, Interconnection Customer must submit all of the following: (i) a \$10,000 deposit submitted electronically via ACH or wire transfer to Transmission Provider, (ii) a completed application in the form of Appendix 1 emailed to Transmission Provider, and (iii) demonstration of Site Control or a posting of an additional deposit of \$10,000. Such deposits shall be applied toward any Interconnection Studies pursuant to the Interconnection Request. If Interconnection Customer demonstrates Site Control within the cure period specified in Section 3.4.3 after submitting its Interconnection Request, the additional deposit shall be refundable; otherwise, all such deposit(s), additional and initial, become non-refundable.

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

period. The In-Service Date may succeed the date the Interconnection Request is received by Transmission Provider by a period up to ten years, or longer where Interconnection Customer and Transmission Provider agree, such agreement not to be unreasonably withheld.

### **3.4.2 Acknowledgment of Interconnection Request**

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

### **3.4.3 Deficiencies in Interconnection Request**

An Interconnection Request will not be considered to be a valid request until all items in Section 3.4.1 have been received by Transmission Provider. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.1, Transmission Provider shall notify Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice. Failure by Interconnection Customer to comply with this Section 3.4.3 shall be treated in accordance with Section 3.7.

### **3.4.4 Scoping Meeting**

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

The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection. Transmission Provider and Interconnection Customer will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. Transmission Provider and Interconnection Customer will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer shall designate its Point of Interconnection, pursuant to Section 6.1, and one or more available alternative Point(s) of Interconnection.

The duration of the meeting shall be sufficient to accomplish its purpose.

### **3.5 OASIS Posting**

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

#### **3.5.1 [Reserved]**

#### **3.5.2 Requirement to Post Interconnection Study Metrics.**

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

##### **3.5.2.1 Interconnection Feasibility Studies Processing Time.**

(A) Number of Interconnection Requests that had Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than 45 Calendar Days after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection Feasibility Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Interconnection Feasibility Studies where such Interconnection Requests had executed Interconnection Feasibility Study Agreements received by Transmission Provider more than 45 Calendar Days before the reporting quarter end,

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

(E) Percentage of Interconnection Feasibility Studies exceeding 45 Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.1(B) plus 3.5.2.1(C) divided by the sum of 3.5.2.1(A) plus 3.5.2.1(C)).

### **3.5.2.2 Interconnection System Impact Studies Processing Time.**

(A) Number of Interconnection Requests that had Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than 90 Calendar Days after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection System Impact Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete System Impact Studies where such Interconnection Requests had executed Interconnection System Impact Study Agreements received by Transmission Provider more than 90 Calendar Days before the reporting quarter end,

(D) Mean time (in days), Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the date when Transmission Provider received the executed Interconnection System Impact Study Agreement to the date when Transmission Provider provided the completed Interconnection System Impact Study to the Interconnection Customer,

(E) Percentage of Interconnection System Impact Studies exceeding 90 Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.2(B) plus 3.5.2.2(C) divided by the sum of 3.5.2.2(A) plus 3.5.2.2(C)).



### **3.5.2.3 Interconnection Facilities Studies Processing Time.**

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

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than 90 Calendar Days after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Service requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by Transmission Provider more than 90 Calendar Days before the reporting quarter end,

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

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

### **3.5.2.4 Interconnection Service Requests Withdrawn from Interconnection Queue.**

(A) Number of Interconnection Service requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter,

(B) Number of Interconnection Service requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of any interconnection studies or execution of any interconnection study agreements,

(C) Number of Interconnection Service requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection System Impact Study,

(D) Number of Interconnection Service requests withdrawn from Transmission Provider's interconnection queue during the reporting

quarter before completion of an Interconnection Facilities Study,

(E) Number of Interconnection Service requests withdrawn from Transmission Provider's interconnection queue after execution of a generator interconnection agreement or Interconnection Customer requests the filing of an unexecuted, new interconnection agreement,

(F) Mean time (in days), for all withdrawn Interconnection Service requests, from the date when the request was determined to be valid to when Transmission Provider received the request to withdraw from the queue.

**3.5.3** Transmission Provider is required to post on OASIS or its website the measures in paragraph 3.5.2.1(A) through paragraph 3.5.2.4(F) for each calendar quarter within 30 days of the end of the calendar quarter. Transmission Provider will keep the quarterly measures posted on OASIS or its website for three calendar years with the first required report to be in the first quarter of 2020. If Transmission Provider retains this information on its website, a link to the information must be provided on Transmission Provider's OASIS site.

**3.5.4** In the event that any of the values calculated in paragraphs 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeds 25 percent for two consecutive calendar quarters, Transmission Provider will have to comply with the measures below for the next four consecutive calendar quarters and must continue reporting this information until Transmission Provider reports four consecutive calendar quarters without the values calculated in 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeding 25 percent for two consecutive calendar quarters:

(i) Transmission Provider must submit a report to the Commission describing the reason for each study or group of clustered studies pursuant to an Interconnection Request that exceeded its deadline (i.e., 45, 90 or 180 days) for completion (excluding any allowance for Reasonable Efforts). Transmission Provider must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed at the Commission within 45 days of the end of the calendar quarter.

(ii) Transmission Provider shall aggregate the total number of employee-hours and third party consultant hours expended towards interconnection studies within its coordinated region that quarter and post on OASIS or its website. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. This information is to be posted within 30 days of the end of the calendar quarter.

### **3.6 Coordination with Affected Systems**

Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable

Interconnection Study within the time frame specified in this LGIP. Transmission Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this LGIP. Interconnection Customer will cooperate with Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

### **3.7 Withdrawal**

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

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

Transmission Provider shall (i) update the OASIS Queue Position posting and (ii) refund to Interconnection Customer any portion of Interconnection Customer's deposit or study payments that exceeds the costs that Transmission Provider has incurred, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 13.1, shall provide, at Interconnection Customer's request, all information that Transmission Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

### **3.8 Identification of Contingent Facilities**

Transmission Provider shall post in this section a method for identifying the Contingent Facilities to be provided to Interconnection Customer at the conclusion of the System Impact Study and included in Interconnection Customer's Large Generator

Interconnection Agreement. The method shall be sufficiently transparent to determine why a specific Contingent Facility was identified and how it relates to the Interconnection Request. Transmission Provider shall also provide, upon request of the Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each identified Contingent Facility when this information is readily available and not commercially sensitive.

Transmission Provider shall take the following factors into consideration when determining if a facility shall be included as a Contingent Facility in the System Impact Study and referenced in the Interconnection Customer's GIA: (1) the Interconnection Customer's queue position, as only facilities that are the responsibility of prior-queued projects may be considered Contingent Facilities; (2) the Point of Interconnection of prior-queued projects as compared to the facility; (3) if prior-queued project(s) or any related required upgrades are electrically significant to the new project or surrounding area; and (4) what effect not building any prior-queued project or related upgrades will have on the Interconnection Request.

The effect of electric significance is not affected by the distance to the project. Factors that are considered in order to determine if a prior-queued project is electrically significant to an Interconnection request include: power flow (both capacity and voltage); short circuit; transient analysis, and, impacts to, or development of necessary, protection schemes for new or modified projects. In addition, if projects are projected to have a similar impact on each other and to the grid, the Transmission Provider will study and evaluate the impacts of the new projects or system upgrades.

Communication, protection and related control equipment associated with Network Upgrades required in connection with earlier-queued projects will not be separately identified as Contingent Facilities in the System Impact Study. Facilities only identified in an Affected Systems Study will be included if identified as a Contingent Facility by an Affected System to the Transmission Provider.

## **Section 4     Queue Position**

### **4.1     General**

Transmission Provider shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request; provided that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and Interconnection Customer provides such information in accordance with Section 3.4.3, then Transmission Provider shall assign Interconnection Customer a Queue Position based on the date the application form was originally filed. Moving a Point of Interconnection shall result in a lowering of Queue Position if it is deemed a Material Modification under Section 4.4.3.

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

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

### **4.2     Clustering**

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

Clustering shall be implemented on the basis of Queue Position. If Transmission Provider elects to study Interconnection Requests using Clustering, all Interconnection Requests received within a period not to exceed one hundred and eighty (180) Calendar Days, hereinafter referred to as the “Queue Cluster Window” shall be studied together without regard to the nature of the underlying Interconnection Service, whether Energy Resource Interconnection Service or Network Resource Interconnection Service. The deadline for completing all Interconnection System Impact Studies for which an Interconnection System Impact Study Agreement has been executed during a Queue Cluster Window shall be in accordance with Section 7.4, for all Interconnection Requests assigned to the same Queue Cluster Window. Transmission Provider may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility.

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

The Queue Cluster Window shall have a fixed time interval based on fixed annual opening and closing dates. Any changes to the established Queue Cluster Window

interval and opening or closing dates shall be announced with a posting on Transmission Provider's OASIS beginning at least one hundred and eighty (180) Calendar Days in advance of the change and continuing thereafter through the end date of the first Queue Cluster Window that is to be modified.

### **4.3 Transferability of Queue Position**

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

### **4.4 Modifications**

Interconnection Customer shall submit to Transmission Provider, in writing, modifications to any information provided in the Interconnection Request. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, 4.4.2 or 4.4.5, or are determined not to be Material Modifications pursuant to Section 4.4.3.

Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or Transmission Provider may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Section 6.4, Section 7.6 and Section 8.5 as applicable and Interconnection Customer shall retain its Queue Position.

**4.4.1** Prior to the return of the executed Interconnection System Impact Study Agreement to Transmission Provider, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project, through either (1) a decrease in plant size or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying Transmission Provider-approved injection-limiting equipment; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration. For plant increases, the incremental increase in plant output will go to the end of the queue for the purposes of cost allocation and study analysis.

**4.4.2** Prior to the return of the executed Interconnection Facility Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional 15 percent 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 Transmission Provider-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 specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 4.4.2(c) is a Material Modification. Section 1 contains a definition of Permissible Technological Advancement.

- 4.4.3** Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.6, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, Transmission Provider shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under Sections 4.4.1, 6.1, 7.2 or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.
- 4.4.4** Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall Transmission Provider commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost.
- 4.4.5** Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing.
- 4.4.6 Technological Change Procedure**

At any time prior to the return of the executed Interconnection Facility Study Agreement to Transmission Provider, Interconnection Customer

may request a modification under this Section 4.4.6, for incorporation of a Technological Advancement into its generating facility. To timely perfect that request, Interconnection Customer shall submit the following to Transmission Provider:

- (1) a written technological advancement request, specifying the change in technology the Interconnection Customer seeks to incorporate into its Interconnection Request;
- (2) a \$10,000 deposit;
- (3) an updated version of the Interconnection Request for a Large Generating Facility, found at Appendix 1 of this LGIP, that reflects the data associated with the change in technology that Interconnection Customer seeks to incorporate;
- (4) any analysis Interconnection Customer has that demonstrates how incorporation of the proposed Technological Advancement would (i) result in electrical performance that is equal to or better than the electrical performance expected prior to the technological change, and (ii) not cause any reliability concerns; and
- (5) to the extent applicable, updated modeling data in PowerWorld format (.aux), or in such other format as the Transmission Provider may agree to accept.

Once the technological advancement request, deposit, and additional data are received by the Transmission Provider, the Transmission Provider is to evaluate whether the Technological Advancement is a Material Modification or whether further study is necessary to complete the analysis of whether the Technological Advancement is a Material Modification. If Transmission Provider determines that the proposed Technological Advancement would not change any of the parameters in Appendix 1 of the LGIP, then no study will be necessary, the proposed advancement will not be considered a Material Modification, and the Interconnection Customer's deposit will be refunded.

Should further studies be required, Transmission Provider's studies may include steady-state, reactive power, short circuit/fault duty, stability analyses, and any other appropriate studies that Transmission Provider deems necessary to determine whether the Technological Advancement results in electrical performance that is equal to or better than the electrical performance expected prior to the technology change, and whether such Technological Advancement causes any reliability concerns. The Transmission Provider shall complete the assessment within thirty (30) days after Transmission Provider receives a perfected request for incorporation of the Technological Advancement that includes the deposit



and the data outlined above. At the conclusion of the study, Transmission Provider is to provide an accounting of its costs to the Interconnection Customer and either refund any overage or invoice the Interconnection Customer for any shortage of costs that exceed the deposit amount.

If the Transmission Provider's assessment determines that the change is a Permissible Technological Advancement, the Transmission Provider shall notify the Interconnection Customer and the Permissible Technological Advancement shall be incorporated without the loss of Interconnection Customer's queue position. If, however, the Transmission Provider cannot accommodate the proposed Technological Advancement without triggering the Material Modification provision of this LGIP, the Transmission Provider is to tender a report with the results of the steady-state analyses, reactive power capabilities, short circuit/fault duty impacts, stability analyses, and any other studies that were completed, including an explanation of why the Technological Advancement is deemed a Material Modification. Once notified, the Interconnection Customer may choose whether to abandon the proposed modification or proceed and lose its queue position.

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

### **5.1 Queue Position for Pending Requests**

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

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

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

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

### **5.1.2 Transition Period**

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

## **5.2 New Transmission Provider**

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

## **Section 6 Interconnection Feasibility Study**

### **6.1 Interconnection Feasibility Study Agreement**

Simultaneously with the acknowledgement of a valid Interconnection Request Transmission Provider shall email to Interconnection Customer an Interconnection Feasibility Study Agreement in the form of Appendix 2. The Interconnection Feasibility Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Interconnection Feasibility Study. Within five (5) Business Days following the Scoping Meeting Interconnection Customer shall specify for inclusion in the attachment to the Interconnection Feasibility Study Agreement the Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection. Within five (5) Business Days following Transmission Provider's receipt of such designation, Transmission Provider shall tender to Interconnection Customer the Interconnection Feasibility Study Agreement signed by Transmission Provider, which includes a good faith estimate of the cost for completing the Interconnection Feasibility Study. Interconnection Customer shall execute and email to Transmission Provider the Interconnection Feasibility Study Agreement along with a \$10,000 deposit via ACH or wire transfer no later than thirty (30) Calendar Days after its receipt.

On or before the return of the executed Interconnection Feasibility Study Agreement to Transmission Provider, Interconnection Customer shall provide the technical data called for in Appendix 1, Attachment A.

If the Interconnection Feasibility Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and Re-studies shall be completed pursuant to Section 6.4 as applicable. For the purpose of this Section 6.1, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.4.4, shall be the substitute.

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

### **6.2 Scope of Interconnection Feasibility Study**

The Interconnection Feasibility Study shall preliminarily evaluate the feasibility of the proposed interconnection to the Transmission System.

The Interconnection Feasibility Study will consider the Base Case as well as all generating facilities (and with respect to (iii), any identified Network Upgrades) that, on

the date the Interconnection Feasibility Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC. The Interconnection Feasibility Study will consist of a power flow and short circuit analysis. The Interconnection Feasibility Study will provide a list of facilities and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

### **6.3 Interconnection Feasibility Study Procedures**

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

Transmission Provider shall study the Interconnection Request at the level of service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

#### **6.3.1 Meeting with Transmission Provider**

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

#### **6.4 Re-Study**

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

## **Section 7     Interconnection System Impact Study**

### **7.1     Interconnection System Impact Study Agreement**

Unless otherwise agreed, pursuant to the Scoping Meeting provided in Section 3.4.4, simultaneously with the delivery of the Interconnection Feasibility Study to Interconnection Customer, Transmission Provider shall email to Interconnection Customer an Interconnection System Impact Study Agreement in the form of Appendix 3 to this LGIP. The Interconnection System Impact Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection System Impact Study. Within three (3) Business Days following the Interconnection Feasibility Study results meeting, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection System Impact Study.

### **7.2     Execution of Interconnection System Impact Study Agreement**

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

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

If the Interconnection System Impact Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting and the Interconnection Feasibility Study, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and restudies shall be completed pursuant to Section 7.6 as applicable. For the purpose of this Section 7.2, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.4.4, shall be the substitute.

### **7.3 Scope of Interconnection System Impact Study**

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

The Interconnection System Impact Study will consist of a short circuit analysis, a stability analysis, and a power flow analysis. The Interconnection System Impact Study will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Interconnection Facilities and Network Upgrades, the System Impact Study shall consider the level of Interconnection Service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns. The Interconnection System Impact Study will provide a list of facilities that are required as a result of the Interconnection Request and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

### **7.4 Interconnection System Impact Study Procedures**

Transmission Provider shall coordinate the Interconnection System Impact Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.6 above. Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within ninety (90) Calendar Days after the receipt of the Interconnection System Impact Study Agreement or notification to proceed, study payment, and technical data. If Transmission Provider uses Clustering, Transmission Provider shall use Reasonable Efforts to deliver a completed Interconnection System Impact Study within ninety (90) Calendar Days after the close of the Queue Cluster Window.

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



Upon request, Transmission Provider shall provide Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Interconnection System Impact Study, subject to confidentiality arrangements consistent with Section 13.1.

#### **7.5 Meeting with Transmission Provider**

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

#### **7.6 Re-Study**

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

## **Section 8 Interconnection Facilities Study**

### **8.1 Interconnection Facilities Study Agreement**

Simultaneously with the delivery of the Interconnection System Impact Study to Interconnection Customer, Transmission Provider shall email to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to this LGIP. The Interconnection Facilities Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Within three (3) Business Days following the Interconnection System Impact Study results meeting, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study. Interconnection Customer shall execute the Interconnection Facilities Study Agreement and email the executed Interconnection Facilities Study Agreement to Transmission Provider within thirty (30) Calendar Days after its receipt, together with the required technical data and the greater of \$100,000 or Interconnection Customer's portion of the estimated monthly cost of conducting the Interconnection Facilities Study via ACH or wire transfer.

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

### **8.2 Scope of Interconnection Facilities Study**

The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facility to the Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Transmission Provider's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Facilities Study will also identify any potential control equipment for requests for Interconnection Service that are lower than the Generating Facility Capacity.

### **8.3 Interconnection Facilities Study Procedures**

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.6 above. Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within

the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days, with no more than a +/- 20 percent cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if Interconnection Customer requests a +/- 10 percent cost estimate.

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

Interconnection Customer may, within thirty (30) Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1.

#### **8.4 Meeting with Transmission Provider**

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

#### **8.5 Re-Study**

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

## **Section 9      Engineering & Procurement ('E&P') Agreement**

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

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

## **Section 10 Optional Interconnection Study**

### **10.1 Optional Interconnection Study Agreement**

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

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

Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and email the Optional Interconnection Study Agreement, the technical data and a \$10,000 deposit via ACH or wire transfer to Transmission Provider.

### **10.2 Scope of Optional Interconnection Study**

The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study. The Optional Interconnection Study shall be performed solely for informational purposes. Transmission Provider shall use Reasonable Efforts to coordinate the study with any Affected Systems that may be affected by the types of Interconnection Services that are being studied. Transmission Provider shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

### **10.3 Optional Interconnection Study Procedures**

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

## **Section 11 Standard Large Generator Interconnection Agreement (LGIA)**

### **11.1 Tender**

Interconnection Customer shall tender comments, via email, on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Within thirty (30) Calendar Days after the comments are submitted, Transmission Provider shall tender a draft LGIA, together with draft appendices. The draft LGIA shall be in the form of Transmission Provider's FERC-approved standard form LGIA, which is in Appendix 6. Interconnection Customer shall execute and return the completed draft appendices within thirty (30) Calendar Days.

### **11.2 Negotiation**

Notwithstanding Section 11.1, at the request of Interconnection Customer Transmission Provider shall begin negotiations with Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. Transmission Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study Report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to Section 11.1 and request submission of the unexecuted LGIA with FERC or initiate Dispute Resolution procedures pursuant to Section 13.5. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the LGIA, requested filing of an unexecuted LGIA, or initiated Dispute Resolution procedures pursuant to Section 13.5 within sixty (60) Calendar Days of tender of draft LGIA, it shall be deemed to have withdrawn its Interconnection Request. Transmission Provider shall provide to Interconnection Customer a final LGIA within fifteen (15) Business Days after the completion of the negotiation process.

### **11.3 Execution and Filing**

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Transmission Provider (A) reasonable evidence that continued Site Control or (B) posting of \$250,000, non-refundable additional security, which shall be applied toward future construction costs. At the same time, Interconnection Customer also shall provide reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, at Interconnection Customer election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract

for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract for the sale of electric energy or capacity from the Large Generating Facility; or (v) application for an air, water, or land use permit.

Interconnection Customer shall either: (i) execute two originals of the tendered LGIA and return them to Transmission Provider; or (ii) request in writing, via email, that Transmission Provider file with FERC an LGIA in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of the tendered LGIA (if it does not conform with a FERC-approved standard form of interconnection agreement) or the request to file an unexecuted LGIA, Transmission Provider shall file the LGIA with FERC, together with its explanation of any matters as to which Interconnection Customer and Transmission Provider disagree and support for the costs that Transmission Provider proposes to charge to Interconnection Customer under the LGIA. An unexecuted LGIA should contain terms and conditions deemed appropriate by Transmission Provider for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted LGIA, they may proceed pending FERC action.

#### **11.4 Commencement of Interconnection Activities**

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



## **Section 12 Construction of Transmission Provider's Interconnection Facilities and Network Upgrades**

### **12.1 Schedule**

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

### **12.2 Construction Sequencing**

#### **12.2.1 General**

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

#### **12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer**

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Transmission System, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider: (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

Transmission Provider will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 11.4 of the LGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that Transmission Provider has not refunded to Interconnection Customer. Payment by that entity shall be due on the date that it would have been due had there been no request for advance construction. Transmission Provider shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. Transmission Provider then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 11.4 of the LGIA.

### **12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the Transmission Provider**

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of Transmission Provider, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider any associated expediting costs. Interconnection Customer shall be entitled to transmission credits, if any, for any expediting costs paid.

### **12.2.4 Amended Interconnection System Impact Study**

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

## **Section 13    Miscellaneous**

### **13.1    Confidentiality**

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an LGIA.

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

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

#### **13.1.1    Scope**

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the LGIA; or (6) is required, in accordance with Section 13.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

#### **13.1.2    Release of Confidential Information**

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a

need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 13.1.

### **13.1.3 Rights**

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

### **13.1.4 No Warranties**

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

### **13.1.5 Standard of Care**

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

### **13.1.6 Order of Disclosure**

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt email 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 C.F.R. § 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 C.F.R. § 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 email 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 C.F.R. § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

**13.1.9** Subject to the exception in Section 13.1.8, any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an

RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party by email 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 by email and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

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

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

## **13.2 Delegation of Responsibility**

Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. Transmission Provider shall 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**

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

## **13.4 Third Parties Conducting Studies**

If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 6.3, 7.4 or 8.3 that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives

neither the Interconnection Study nor a notice under Sections 6.3, 7.4 or 8.3 within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

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

## **13.5 Disputes**

### **13.5.1 Submission**

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and

resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

### **13.5.2 External Arbitration Procedures**

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13, the terms of this Section 13 shall prevail.

### **13.5.3 Arbitration Decisions**

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

### **13.5.4 Costs**

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.



### **13.5.5 Non-binding Dispute Resolution Procedures**

If a Party has submitted a Notice of Dispute pursuant to section 13.5.1, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that section, and the Parties cannot reach mutual agreement to pursue the section 13.5 arbitration process, a Party may request that Transmission Provider engage in Non-binding Dispute Resolution pursuant to this section by providing written notice to Transmission Provider (“Request for Non-binding Dispute Resolution”). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this section without first seeking mutual agreement to pursue the section 13.5 arbitration process. The process in section 13.5.5 shall serve as an alternative to, and not a replacement of, the section 13.5 arbitration process. Pursuant to this process, a Transmission Provider must within 30 days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with either Party. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the LGIP and LGIA and shall have no power to modify or change any provision of the LGIP and LGIA in any manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a section 13.5 arbitration, or in a Federal Power Act section 206 complaint. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

## **13.6 Local Furnishing Bonds**

### **13.6.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds**

This provision is applicable only to a Transmission Provider that has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code (“local furnishing bonds”). Notwithstanding any other provision of this LGIA and LGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this LGIA and LGIP if the provision of such Transmission Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Transmission Provider’s facilities that would be used in providing such Interconnection Service.

### **13.6.2 Alternative Procedures for Requesting Interconnection Service**

If Transmission Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5.2(ii) of the Transmission Provider's Tariff.

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

1. The undersigned Interconnection Customer emails this request to interconnect its Large Generating Facility with Transmission Provider's Transmission System pursuant to a Tariff.
2. This Interconnection Request is for (check one):  
  
\_\_\_\_\_ A proposed new Large Generating Facility.  
  
\_\_\_\_\_ An increase in the generating capacity or a Material Modification of an existing Generating Facility.
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:
  - a. Address or location of the proposed new Large Generating Facility site (to the extent known) or, in the case of an existing Generating Facility, the name and specific location of the existing Generating Facility;
  - b. Maximum summer at \_\_\_\_\_ degrees C and winter at \_\_\_\_\_ degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;
  - c. General description of the equipment configuration;
  - d. Commercial Operation Date (Day, Month, and Year);
  - e. Name, address, telephone number, and email address of Interconnection Customer's contact person;
  - f. Approximate location of the proposed Point of Interconnection (optional);
  - g. Interconnection Customer Data (set forth in Attachment A); and
  - h. Primary frequency response operating range for electric storage resources.
  - i. Requested capacity (in MW) of Interconnection Service (if lower than the

Generating Facility Capacity).

6. Applicable deposit amount as specified in the LGIP.
7. Evidence of Site Control as specified in the LGIP (check one)  
 Is attached to this Interconnection Request  
 Will be provided at a later date in accordance with this LGIP
8. This Interconnection Request shall be submitted to the representative indicated below:  
[To be completed by Transmission Provider]
9. Representative of Interconnection Customer to contact:  
[To be completed by Interconnection Customer]
10. This Interconnection Request is submitted by:  
Name of Interconnection Customer: \_\_\_\_\_  
By (signature): \_\_\_\_\_  
Name (type or print): \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Attachment A to Appendix 1  
Interconnection Request**

**LARGE GENERATING FACILITY DATA**

**UNIT RATINGS**

kVA    °F    Voltage \_\_\_\_\_

Power Factor

Speed (RPM) \_\_\_\_\_

Connection (e.g. Wye) \_\_\_\_\_

Short Circuit Ratio \_\_\_\_\_

Frequency, Hertz \_\_\_\_\_

Stator Amperes at Rated kVA \_\_\_\_\_

Field Volts \_\_\_\_\_

Max Turbine MW °F \_\_\_\_\_

Primary frequency response operating range for electric storage resources:

Minimum State of Charge: \_\_\_\_\_

Maximum State of Charge: \_\_\_\_\_

**COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA**

Inertia Constant, H =    kW sec/kVA

Moment-of-Inertia,  $WR^2 =$  \_\_\_\_\_ lb. ft.<sup>2</sup>

**REACTANCE DATA (PER UNIT-RATED KVA)**

	DIRECT AXIS	QUADRATURE AXIS	
Synchronous - saturated	$X_{dv}$	$X_{qv}$	_____
Synchronous - unsaturated	$X_{di}$	$X_{qi}$	_____
Transient - saturated	$X'_{dv}$	$X'_{qv}$	_____
Transient - unsaturated	$X'_{di}$	$X'_{qi}$	_____
Subtransient - saturated	$X''_{dv}$	$X''_{qv}$	_____
Subtransient - unsaturated	$X''_{di}$	$X''_{qi}$	_____
Negative Sequence - saturated	$X_{2v}$		

Negative Sequence - unsaturated	$X_{2i}$
Zero Sequence - saturated	$X_{0v}$
Zero Sequence - unsaturated	$X_{0i}$
Leakage Reactance	$X_{lm}$

**FIELD TIME CONSTANT DATA (SEC)**

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

**ARMATURE TIME CONSTANT DATA (SEC)**

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

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

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

**ARMATURE WINDING RESISTANCE DATA (PER UNIT)**

Positive                     $R_1$      \_\_\_\_\_

Negative                    $R_2$      \_\_\_\_\_

Zero                         $R_0$      \_\_\_\_\_

Rotor Short Time Thermal Capacity  $I_2^2t =$  \_\_\_\_\_

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

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

Three Phase Armature Winding Capacitance =    microfarad

Field Winding Resistance = \_\_\_\_\_ ohms \_\_\_\_\_ °C

Armature Winding Resistance (Per Phase) =    ohms    °C

## CURVES

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

### GENERATOR STEP-UP TRANSFORMER DATA RATINGS

Capacity

Self-cooled/

Maximum Nameplate

/kVA

Voltage Ratio(Generator Side/System side/Tertiary)

/ \_\_\_\_\_ / \_\_\_\_\_ kV

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

/ \_\_\_\_\_ / \_\_\_\_\_

Fixed Taps Available \_\_\_\_\_

Present Tap Setting \_\_\_\_\_

### IMPEDANCE

Positive       $Z_1$  (on self-cooled kVA rating) %    X/R

Zero           $Z_0$  (on self-cooled kVA rating) %    X/R

### EXCITATION SYSTEM DATA

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

### GOVERNOR SYSTEM DATA

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



## WIND GENERATORS

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

\_\_\_\_\_

Elevation: \_\_\_\_\_      \_\_\_\_\_ Single Phase      \_\_\_\_\_ Three Phase

Inverter manufacturer, model name, number, and version:

\_\_\_\_\_

List of adjustable setpoints for the protective equipment or software:

\_\_\_\_\_

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

## INDUCTION GENERATORS

- (\*) Field Volts: \_\_\_\_\_
- (\*) Field Amperes: \_\_\_\_\_
- (\*) Motoring Power (kW): \_\_\_\_\_
- (\*) Neutral Grounding Resistor (If Applicable): \_\_\_\_\_
- (\*)  $I_2^2t$  or K (Heating Time Constant): \_\_\_\_\_
- (\*) Rotor Resistance: \_\_\_\_\_
- (\*) Stator Resistance: \_\_\_\_\_
- (\*) Stator Reactance: \_\_\_\_\_
- (\*) Rotor Reactance: \_\_\_\_\_
- (\*) Magnetizing Reactance: \_\_\_\_\_
- (\*) Short Circuit Reactance: \_\_\_\_\_
- (\*) Exciting Current: \_\_\_\_\_
- (\*) Temperature Rise: \_\_\_\_\_
- (\*) Frame Size: \_\_\_\_\_
- (\*) Design Letter: \_\_\_\_\_
- (\*) Reactive Power Required In Vars (No Load): \_\_\_\_\_
- (\*) Reactive Power Required In Vars (Full Load): \_\_\_\_\_
- (\*) Total Rotating Inertia, H: \_\_\_\_\_ Per Unit on KVA Base

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

**APPENDIX 2 TO LGIP  
INTERCONNECTION FEASIBILITY STUDY AGREEMENT**

**THIS AGREEMENT** is made and entered into this day of , 20\_\_ by and between \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_ (“Interconnection Customer,”) and \_\_\_\_\_, a \_\_\_\_\_ existing under the laws of the State of \_\_\_\_\_ (“Transmission Provider “). Interconnection Customer and Transmission Provider each may be referred to as a “Party, ” or collectively as the “Parties.”

**RECITALS**

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

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

**WHEREAS**, Interconnection Customer has requested Transmission Provider to perform an Interconnection Feasibility Study to assess the feasibility of interconnecting the proposed Large Generating Facility to the Transmission System, and of any Affected Systems;

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider’s FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection Feasibility Study consistent with Section 6.0 of this LGIP in accordance with the Tariff.
- 3.0 The scope of the Interconnection Feasibility Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Interconnection Feasibility Study shall be based on the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Feasibility Study and as designated in accordance with Section 3.4.4 of the LGIP. If, after the designation of the Point of Interconnection pursuant to Section 3.4.4 of the LGIP, Interconnection Customer modifies its Interconnection Request pursuant to

Section 4.4, the time to complete the Interconnection Feasibility Study may be extended.

5.0 The Interconnection Feasibility Study report shall provide the following information:

- preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and
- preliminary description and non-bonding estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit and power flow issues.

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

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

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

7.0 Miscellaneous. The Interconnection Feasibility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

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

**[Insert name of Transmission Provider or Transmission Owner, if applicable]**

By: \_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

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

**[Insert name of Interconnection Customer]**

By:

Title:

Date:

**Attachment A to Appendix 2  
Interconnection Feasibility  
Study Agreement**

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

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

Designation of Point of Interconnection and configuration to be studied.

Designation of alternative Point(s) of Interconnection and configuration.

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

**APPENDIX 3 TO LGIP  
INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT**

**THIS AGREEMENT** is made and entered into this day of , 20\_\_ by and between, a organized and existing under the laws of the State of , (“Interconnection Customer,”) and \_\_\_\_\_ existing under the laws of the State of

, (“Transmission Provider”). Interconnection Customer and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.”

**RECITALS**

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

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

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

**WHEREAS**, Interconnection Customer has requested Transmission Provider to perform an Interconnection System Impact Study to assess the impact of interconnecting the Large Generating Facility to the Transmission System, and of any Affected Systems;

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider’s FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection System Impact Study consistent with Section 7.0 of this LGIP in accordance with the Tariff.
- 3.0 The scope of the Interconnection System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study and the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the LGIP. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with

Good Utility Practice during the course of the Interconnection Customer System Impact Study. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the Interconnection System Impact Study may be extended.

- 5.0 The Interconnection System Impact Study report shall provide the following information:
- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
  - identification of any thermal overload or voltage limit violations resulting from the interconnection;
  - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection and
  - description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.

- 6.0 Interconnection Customer shall provide a deposit of \$50,000 for the performance of the Interconnection System Impact Study. Transmission Provider's good faith estimate for the time of completion of the Interconnection System Impact Study is [insert date].

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

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

- 7.0 Miscellaneous. The Interconnection System Impact Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.



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

**[Insert name of Transmission Provider or Transmission Owner, if applicable]**

**[Insert name of Transmission Provider or Transmission Owner, if applicable]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title:

Title: \_\_\_\_\_

Date:

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

**[Insert name of Interconnection Customer]**

By:

Title:

Date:

**Attachment A To Appendix 3  
Interconnection System Impact  
Study Agreement**

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

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

Designation of Point of Interconnection and configuration to be studied.

Designation of alternative Point(s) of Interconnection and configuration.

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

**APPENDIX 4 TO LGIP  
INTERCONNECTION FACILITIES STUDY AGREEMENT**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_, (“Interconnection Customer,”) and \_\_\_\_\_ a \_\_\_\_\_ existing under the laws of the State of \_\_\_\_\_, (“Transmission Provider”). Interconnection Customer and Transmission Provider each may be referred to as a “Party, ” or collectively as the “Parties.”

**RECITALS**

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

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

**WHEREAS**, Transmission Provider has completed an Interconnection System Impact Study (the “System Impact Study”) and provided the results of said study to Interconnection Customer; and

**WHEREAS**, Interconnection Customer has requested Transmission Provider to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System.

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider’s FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.
- 4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Large Generating Facility to the Transmission System and (ii)

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

- 5.0 Interconnection Customer shall provide a deposit of \$100,000 for the performance of the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

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

- 6.0 Miscellaneous. The Interconnection Facility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

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

**[Insert name of Transmission Provider or Transmission Owner, if applicable]**

By: \_\_\_\_\_  
\_\_\_\_\_

By:

Title: \_\_\_\_\_  
\_\_\_\_\_

Title:

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

Date:

**[Insert name of Interconnection Customer]**

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

**Attachment A To Appendix 4  
Interconnection Facilities  
Study Agreement**

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

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

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

**Attachment B to Appendix 4  
Interconnection Facilities  
Study Agreement**

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

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

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

On the one line diagram indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one line diagram indicate the location of auxiliary power. (Minimum load on CT/PT)  
Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance?

\_\_\_\_\_ Yes    \_\_\_\_\_ No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation?        \_\_\_\_\_ Yes    \_\_\_\_\_ No    (Please indicate on one line diagram).

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

\_\_\_\_\_

What protocol does the control system or PLC use?

\_\_\_\_\_

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

Physical dimensions of the proposed interconnection station:

\_\_\_\_\_

Bus length from generation to interconnection station:

---

Line length from interconnection station to Transmission Provider's transmission line.

---

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

Number of third party easements required for transmission lines\*:

---

\* To be completed in coordination with Transmission Provider.

Is the Large Generating Facility in the Transmission Provider's service area?

\_\_\_\_\_ Yes \_\_\_\_\_ No Local provider: \_\_\_\_\_

Please provide proposed schedule dates:

Begin Construction Date: \_\_\_\_\_

Generator step-up transformer Date: \_\_\_\_\_

receives back feed power

Generation Testing Date: \_\_\_\_\_

Commercial Operation Date: \_\_\_\_\_

**APPENDIX 5 TO LGIP  
OPTIONAL INTERCONNECTION STUDY AGREEMENT**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_, (“Interconnection Customer,”) and \_\_\_\_\_ a \_\_\_\_\_ existing under the laws of the State of \_\_\_\_\_, (“Transmission Provider”). Interconnection Customer and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.”

**RECITALS**

**WHEREAS**, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated \_\_\_\_\_ ;

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

**WHEREAS**, Interconnection Customer has submitted to Transmission Provider an Interconnection Request; and

**WHEREAS**, on or after the date when Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer has further requested that Transmission Provider prepare an Optional Interconnection Study;

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider’s FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause an Optional Interconnection Study consistent with Section 10.0 of this LGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Optional Interconnection Study shall be performed solely for informational purposes.
- 5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer in Attachment A



to this Agreement. The Optional Interconnection Study will identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or interconnection service based upon the assumptions specified by Interconnection Customer in Attachment A.

6.0 Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Optional Interconnection Study. Transmission Provider's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

Upon receipt of the Optional Interconnection Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Optional Study.

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

7.0 Miscellaneous. The Optional Interconnection Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

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

**[Insert name of Transmission Provider or Transmission Owner, if applicable]**

By: \_\_\_\_\_  
\_\_\_\_\_

By:

Title: \_\_\_\_\_  
\_\_\_\_\_

Title:

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

Date:

**[Insert name of Interconnection Customer]**

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

**APPENDIX 6 TO LGIP**

**STANDARD LARGE GENERATOR  
INTERCONNECTION AGREEMENT (LGIA)**

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## STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

**THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT** (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 20\_\_, by and between \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State/Commonwealth of \_\_\_\_\_ (“Interconnection Customer” with a Large Generating Facility), and \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State/Commonwealth of \_\_\_\_\_ (“Transmission Provider and/or Transmission Owner”). Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

### Recitals

**WHEREAS**, Transmission Provider operates the Transmission System; and

**WHEREAS**, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

**WHEREAS**, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

## **Article 1. Definitions**

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

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

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

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

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

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

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

**Applicable Reliability Standards** shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

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

**Breach** shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

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

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

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

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



Impact Study.

**Commercial Operation** shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

**Commercial Operation Date** of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

**Confidential Information** shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

**Control Area** shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

**Default** shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

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

**Distribution System** shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

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

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

**Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems

of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

**Energy Resource Interconnection Service** shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

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

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

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

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

**Force Majeure** shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

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

**Generating Facility Capacity** shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

**Good Utility Practice** shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the

desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

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

**Hazardous Substances** shall mean any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “hazardous constituents,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “radioactive substances,” “contaminants,” “pollutants,” “toxic pollutants” or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

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

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

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

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

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

**Interconnection Facilities Study** shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

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

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

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

**Interconnection Request** shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

**Interconnection Service** shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

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

**Interconnection System Impact Study** shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

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

**IRS** shall mean the Internal Revenue Service.

**Joint Operating Committee** shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

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

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

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

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

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

**Network Resource** shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

**Network Resource Interconnection Service** shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

**Network Upgrades** shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the

Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

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

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

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

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

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

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

**Provisional Interconnection Service** shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

**Provisional Large Generator Interconnection Agreement** shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

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

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

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

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

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

**Stand Alone Network Upgrades** shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

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

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

**Surplus Interconnection Service** shall mean any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the Point of Interconnection would remain the same.

**System Protection Facilities** shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

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

**Transmission Owner** shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

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

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

**Transmission System** shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

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

**Variable Energy Resource** shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.



## **Article 2. Effective Date, Term, and Termination**

### **2.1 Effective Date.**

This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

### **2.2 Term of Agreement.**

Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.

### **2.3 Termination Procedures.**

#### **2.3.1 Written Notice.**

This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance emailed written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

#### **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, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

### **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, unless otherwise ordered or approved by FERC:

**2.4.1** With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed,

Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

**2.4.2** Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

**2.4.3** With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

## **2.5 Disconnection.**

Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

## **2.6 Survival.**

This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that

occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

## **Article 3. Regulatory Filings**

### **3.1 Filing.**

Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider 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, Transmission Provider 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 the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point

of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

#### **4.1.2 Network Resource Interconnection Service.**

##### **4.1.2.1 The Product.**

Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in 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 Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly

situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

#### **4.2 Provision of Service.**

Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

#### **4.3 Performance Standards.**

Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.

#### **4.4 No Transmission Delivery Service.**

The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

#### **4.5 Interconnection Customer Provided Services.**

The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.



## **Article 5. Interconnection Facilities Engineering, Procurement, and Construction**

### **5.1 Options.**

Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, the Interconnection Customer shall notify Transmission Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

#### **5.1.1 Standard Option**

Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

#### **5.1.2 Alternate Option.**

If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider'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; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

### **5.1.3 Option to Build.**

Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

### **5.1.4 Negotiated Option.**

If the dates designated by the Interconnection Customer are not acceptable to Transmission Provider, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then, pursuant to Article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the design, procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

## **5.2 General Conditions Applicable to Option to Build.**

If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

- (1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;
- (2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which

Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

- (3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;
- (5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;
- (6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;
- (8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;
- (9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider;
- (10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and
- (11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are

reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

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

### **5.3 Liquidated Damages.**

The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider'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 Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

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

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider'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 Transmission Provider'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 Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the

result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

#### **5.4 Power System Stabilizers.**

The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

#### **5.5 Equipment Procurement.**

If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

**5.5.1** Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;

**5.5.2** Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

**5.5.3** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

#### **5.6 Construction Commencement.**

Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

**5.6.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

**5.6.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;

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

**5.6.4** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

## **5.7 Work Progress.**

The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

## **5.8 Information Exchange.**

As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

## **5.9 Other Interconnection Options.**

### **5.9.1 Limited Operation.**

If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

### **5.9.2 Provisional Interconnection Service.**

Upon the emailed request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Large Generator Interconnection Agreement with the Interconnection Customer for limited Interconnection Service at the discretion of Transmission Provider based upon an evaluation that will consider the results of available studies. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated semi-annually at the 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.

#### **5.10.1 Interconnection Customer's Interconnection Facility Specifications.**

Interconnection Customer shall submit initial specifications for the

ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

#### **5.10.2 Transmission Provider's Review.**

Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

#### **5.10.3 ICIF Construction.**

The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

#### **5.11 Transmission Provider's Interconnection Facilities Construction.**

Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities [include appropriate drawings and



relay diagrams].

Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

#### **5.12 Access Rights.**

Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

#### **5.13 Lands of Other Property Owners.**

If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.

#### **5.14 Permits.**

Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.

### **5.15 Early Construction of Base Case Facilities.**

Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

### **5.16 Suspension.**

Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

### **5.17 Taxes.**

#### **5.17.1 Interconnection Customer Payments Not Taxable.**

The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in

accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

### **5.17.2 Representations and Covenants.**

In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

### **5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider.**

Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to

taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

#### **5.17.4 Tax Gross-Up Amount.**

Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows:  $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$ . Interconnection Customer's estimated tax liability in the event taxes are imposed

shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

#### **5.17.5 Private Letter Ruling or Change or Clarification of Law.**

At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

#### **5.17.6 Subsequent Taxable Events.**

If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

#### **5.17.7 Contests.**

In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with

respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

#### **5.17.8 Refund.**

In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

- (i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,
- (ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and
- (iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

#### **5.17.9 Taxes Other Than Income Taxes.**

Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal,

Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

**5.17.10 Transmission Owners Who Are Not Transmission Providers.**

If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

**5.18 Tax Status.**

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

**5.19 Modification.**

**5.19.1 General.**

Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall email to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.



### **5.19.2 Standards.**

Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

### **5.19.3 Modification Costs.**

Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

## **Article 6. Testing and Inspection**

### **6.1 Pre-Commercial Operation Date Testing and Modifications.**

Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

### **6.2 Post-Commercial Operation Date Testing and Modifications.**

Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

### **6.3 Right to Observe Testing.**

Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

### **6.4 Right to Inspect.**

Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

## **Article 7. Metering**

### **7.1 General.**

Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

### **7.2 Check Meters.**

Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

### **7.3 Standards.**

Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

### **7.4 Testing of Metering Equipment.**

Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent

from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

#### **7.5 Metering Data.**

At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

## **8. Communications**

### **8.1 Interconnection Customer Obligations.**

Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

### **8.2 Remote Terminal Unit.**

Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

### **8.3 No Annexation.**

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

### **8.4 Provision of Data from a Variable Energy Resource**

The Interconnection Customer whose Generating Facility is a Variable Energy

Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

## **Article 9. Operations**

### **9.1 General.**

Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

### **9.2 Control Area Notification.**

At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider by email of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

### **9.3 Transmission Provider Obligations.**

Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

### **9.4 Interconnection Customer Obligations.**

Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

## **9.5 Start-Up and Synchronization.**

Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

## **9.6 Reactive Power and Primary Frequency Response.**

### **9.6.1 Power Factor Design Criteria.**

#### **9.6.1.1 Synchronous Generation.**

Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis.

#### **9.6.1.2 Non-Synchronous Generation.**

Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Control Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall 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).

### **9.6.2 Voltage Schedules.**

Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large



Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

#### **9.6.2.1 Voltage Regulators.**

Whenever the Large Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

#### **9.6.3 Payment for Reactive Power.**

Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

#### **9.6.4 Primary Frequency Response.**

Interconnection Customer shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility's real power output in accordance with the droop and

deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and  $\pm 0.036$  Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Sections 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

#### **9.6.4.1 Governor or Equivalent Controls.**

Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1), in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of  $\pm 0.036$  Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing

authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable.

Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

#### **9.6.4.2 Timely and Sustained Response.**

Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

#### **9.6.4.3 Exemptions.**

Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 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 Section 9.6.4, but shall be otherwise exempt from the operating requirements in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

#### **9.6.4.4 Electric Storage Resources.**

Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 9.6.4, 9.6.4.1, 9.6.4.2 and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

## **9.7 Outages and Interruptions.**

### **9.7.1 Outages.**

#### **9.7.1.1 Outage Authority and Coordination.**

Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

#### **9.7.1.2 Outage Schedules.**

Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

#### **9.7.1.3 Outage Restoration.**

If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature

of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

## **9.7.2 Interruption of Service.**

If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

**9.7.2.1** The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

**9.7.2.2** Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

**9.7.2.3** When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

**9.7.2.4** Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

**9.7.2.5** The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

### **9.7.3 Under-Frequency and Over Frequency Conditions.**

The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure “ride through” capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term “ride through” as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

### **9.7.4 System Protection and Other Control Requirements.**

#### **9.7.4.1 System Protection Facilities.**

Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer’s Interconnection Facilities. Transmission Provider shall install at Interconnection Customer’s expense any System Protection Facilities that may be required on Transmission Provider’s Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer’s Interconnection Facilities.

**9.7.4.2** Each Party’s protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

**9.7.4.3** Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

**9.7.4.4** Each Party’s protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer’s units.

**9.7.4.5** Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.

**9.7.4.6** Prior to the In-Service Date, and again prior to the

Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

#### **9.7.5 Requirements for Protection.**

In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

#### **9.7.6 Power Quality.**

Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

#### **9.8 Switching and Tagging Rules.**

Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.



## **9.9 Use of Interconnection Facilities by Third Parties.**

### **9.9.1 Purpose of Interconnection Facilities.**

Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

### **9.9.2 Third Party Users.**

If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

## **9.10 Disturbance Analysis Data Exchange.**

The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

## **Article 10. Maintenance**

### **10.1 Transmission Provider Obligations.**

Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

### **10.2 Interconnection Customer Obligations.**

Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

### **10.3 Coordination.**

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

### **10.4 Secondary Systems.**

Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

### **10.5 Operating and Maintenance Expenses.**

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

## **Article 11. Performance Obligation**

### **11.1 Interconnection Customer Interconnection Facilities.**

Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

### **11.2 Transmission Provider's Interconnection Facilities.**

Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

### **11.3 Network Upgrades and Distribution Upgrades.**

Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

### **11.4 Transmission Credits.**

#### **11.4.1 Repayment of Amounts Advanced for Network Upgrades.**

Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider

and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the 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, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

#### **11.4.2 Special Provisions for Affected Systems.**

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

**11.4.3** Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transfer capability, 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.

#### **11.5 Provision of Security.**

At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial

Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

In addition:

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

**11.5.2** The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

**11.5.3** The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

## **11.6 Interconnection Customer Compensation.**

If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

### **11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition.**

Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

## **Article 12. Invoice**

### **12.1 General.**

Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this 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 Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall email an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs 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 via ACH or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

### **12.4 Disputes.**

In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 C.F.R § 35.19a(a)(2)(iii).

## **Article 13. Emergencies**

### **13.1 Definition.**

“Emergency Condition” shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider’s Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer’s Interconnection Facilities’ System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

### **13.2 Obligations.**

Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

### **13.3 Notice.**

Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider’s Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer’s operation of the Large Generating Facility or Interconnection Customer’s Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer’s Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider’s Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer’s or Transmission Provider’s facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice via email.

### **13.4 Immediate Action.**

Unless, in Interconnection Customer’s reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching

operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

### **13.5 Transmission Provider Authority.**

#### **13.5.1 General.**

Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

#### **13.5.2 Reduction and Disconnection.**

Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for



so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

### **13.6 Interconnection Customer Authority.**

Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

### **13.7 Limited Liability.**

Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

## **Article 14. Regulatory Requirements and Governing Law**

### **14.1 Regulatory Requirements.**

Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

### **14.2 Governing Law.**

**14.2.1** The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

**14.2.2** This LGIA is subject to all Applicable Laws and Regulations.

**14.2.3** Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

## **Article 15. Notices.**

### **15.1 General.**

Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

### **15.2 Billings and Payments.**

Billings and payments shall be sent to the ACH or wire transfer addresses set out in Appendix F.

### **15.3 Alternative Forms of Notice.**

Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

### **15.4 Operations and Maintenance Notice.**

Each Party shall notify the other Party by email of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

**Article 16. Force Majeure**

**16.1 Force Majeure.**

**16.1.1** Economic hardship is not considered a Force Majeure event.

**16.1.2** Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

## **Article 17. Default**

### **17.1 Default**

#### **17.1.1 General.**

No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

#### **17.1.2 Right to Terminate.**

If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA.

## **Article 18. Indemnity, Consequential Damages and Insurance**

### **18.1 Indemnity.**

The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this LGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

#### **18.1.1 Indemnified Person.**

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

#### **18.1.2 Indemnifying Party.**

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

#### **18.1.3 Indemnity Procedures.**

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

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and

expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

## **18.2 Consequential Damages.**

Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this 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.**

Each party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, 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 the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

**18.3.6** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party 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 the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.



**18.3.9** Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide email certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

**18.3.10** Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall email the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

**18.3.11** The Parties agree to report to each other by email 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 either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. 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 Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

**Article 21. Comparability**

**21.1 Comparability.**

The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

## **Article 22. Confidentiality**

### **22.1 Confidentiality.**

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

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

If requested by either Party, the other Party shall provide in writing via email, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

#### **22.1.1 Term.**

During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

#### **22.1.2 Scope.**

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

### **22.1.3 Release of Confidential Information**

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

### **22.1.4 Rights.**

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

### **22.1.5 No Warranties.**

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

### **22.1.6 Standard of Care.**

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

### **22.1.7 Order of Disclosure.**

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

opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

#### **22.1.8 Termination of Agreement.**

Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written, emailed 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 C.F.R. § 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 C.F.R. § 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 via email 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 C.F.R. §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 Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing via email 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 via email and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.



**Article 23. Environmental Releases**

**23.1** Each Party shall notify the other Party, first orally and then in writing via email, 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.

## **Article 24. Information Requirements**

### **24.1 Information Acquisition.**

Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

### **24.2 Information Submission by Transmission Provider.**

The initial information submission by Transmission Provider 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 Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

### **24.3 Updated Information Submission by Interconnection Customer.**

The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

### **24.4 Information Supplementation.**

Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large

Generating Facility information or “as-tested” performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit “step voltage” test on the Large Generating Facility to verify proper operation of the Large Generating Facility’s automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station.

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

## **Article 25. Information Access and Audit Rights**

### **25.1 Information Access.**

Each Party (the “disclosing Party”) shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

### **25.2 Reporting of Non-Force Majeure Events.**

Each Party (the “notifying Party”) shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

### **25.3 Audit Rights.**

Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party’s accounts and records pertaining to either Party’s performance or either Party’s satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party’s costs, calculation of invoiced amounts, Transmission Provider’s efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider’s efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party’s actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party’s performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

### **25.4 Audit Rights Periods.**

#### **25.4.1 Audit Rights Period for Construction-Related Accounts and Records.**

Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider’s Interconnection Facilities and

Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

**25.4.2 Audit Rights Period for All Other Accounts and Records.**

Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

**25.5 Audit Results.**

If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

## **Article 26. Subcontractors**

### **26.1 General.**

Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

### **26.2 Responsibility of Principal.**

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

### **26.3 No Limitation by Insurance.**

The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

## **Article 27. Disputes**

### **27.1 Submission.**

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the “disputing Party”) shall provide the other Party with written notice of the dispute or claim (“Notice of Dispute”). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party’s receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

### **27.2 External Arbitration Procedures.**

Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

### **27.3 Arbitration Decisions.**

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the

standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

**27.4 Costs.**

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.



## **Article 28. Representations, Warranties, and Covenants**

### **28.1 General.**

Each Party makes the following representations, warranties and covenants:

#### **28.1.1 Good Standing.**

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

#### **28.1.2 Authority.**

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

#### **28.1.3 No Conflict.**

The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

#### **28.1.4 Consent and Approval.**

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

## **Article 29. Joint Operating Committee**

### **29.1 Joint Operating Committee.**

Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

**29.1.1** Establish data requirements and operating record requirements.

**29.1.2** Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

**29.1.3** Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

**29.1.4** Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

**29.1.5** Ensure that information is being provided by each Party regarding equipment availability.

**29.1.6** Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

## **Article 30. Miscellaneous**

### **30.1 Binding Effect.**

This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

### **30.2 Conflicts.**

In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

### **30.3 Rules of Interpretation.**

This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

### **30.4 Entire Agreement.**

This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.

### **30.5 No Third Party Beneficiaries.**

This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

### **30.6 Waiver.**

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

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

### **30.7 Headings.**

The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

### **30.8 Multiple Counterparts.**

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

### **30.9 Amendment.**

The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

### **30.10 Modification by the Parties.**

The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

### **30.11 Reservation of Rights.**

Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable

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

### **30.12 No Partnership.**

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

**IN WITNESS WHEREOF**, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

**[Insert name of Transmission Provider or Transmission Owner, if applicable]**

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 Transmission Provider's Interconnection Facilities]:**

**2. Network Upgrades:**

- (a) **[insert Stand Alone Network Upgrades]:**
- (b) **[insert Other Network Upgrades]:**

**3. Distribution Upgrades:**

**Appendix B to LGIA  
Milestones**



**Appendix C to LGIA  
Interconnection Details**

## **Appendix D to LGIA Security Arrangements Details**

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the 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 Transmission Provider and Interconnection Customer.

**[Date]**

**[Transmission Provider Address]**

Re: \_\_\_\_\_ Large Generating Facility

Dear \_\_\_\_\_:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. \_\_\_\_\_. This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit No. \_\_\_\_\_ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

**[Signature]**

**[Interconnection Customer Representative]**

**Appendix F to LGIA  
Addresses for Delivery of Notices and Billings**

**Notices:**

Transmission Provider: [Includes email]

[To be supplied.]

Interconnection Customer:

[To be supplied.]

**Billings and Payments:**

Transmission Provider: [Includes email, ACH and wire transfer instructions]

[To be supplied.]

Interconnection Customer:

[To be supplied.]

**Alternative Forms of Delivery of Notices (telephone or facsimile):**

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

**Appendix G to LGIA  
Interconnection Requirements for a Wind Generating Plant**

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

**A. Technical Standards Applicable to a Wind Generating Plant**

**i. Low Voltage Ride-Through (LVRT) Capability**

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

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (*i.e.* the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

### **Post-transition Period LVRT Standard**

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 - 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment.

Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

**ii. Power Factor Design Criteria (Reactive Power)**

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has executed a Facilities Study Agreement as of the effective date of the Final Rule establishing the reactive power requirements for non-synchronous generators in section 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, if the Transmission Provider's System Impact Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

**iii. Supervisory Control and Data Acquisition (SCADA) Capability**

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

## **Appendix H to LGIA Reliability Management System**

The provisions of this Appendix H shall apply if and at such time as Transmission Provider has become a party to and is bound by the Reliability Management System Agreement. In the event this Appendix H applies and there is any conflict between this Appendix H and any other provision of this LGIA, the terms of this Appendix H shall prevail and shall be deemed to be the final intent of the Parties.

**1. Purpose.** In order to maintain the reliable operation of the transmission grid, the WECC Reliability Criteria Agreement sets forth reliability criteria adopted by the WECC to which Interconnection Customer and Transmission Provider shall be required to comply.

**2. Compliance.** Interconnection Customer shall comply with the requirements of the WECC Reliability Criteria Agreement, including the applicable WECC reliability criteria set forth in Section IV of Annex A thereof, and, in the event of failure to comply, agrees to be subject to the sanctions applicable to such failure. Such sanctions shall be assessed pursuant to the procedures contained in the WECC Reliability Criteria Agreement. Each and all of the provisions of the WECC Reliability Criteria Agreement are hereby incorporated by reference into this Appendix H as though set forth fully herein, and Interconnection Customer shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WECC Reliability Criteria Agreement, including, but not limited to, the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WECC Reliability Criteria Agreement.

**3. Payment of Sanctions.** Interconnection Customer shall be responsible for payment of any monetary sanction assessed against Interconnection Customer by WECC pursuant to the WECC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WECC Reliability Criteria Agreement.

**4. Transfer of Control or Sale of Generation Facilities.** In any sale or transfer of control of the Generating Facility, Interconnection Customer shall as a condition of such sale or transfer require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of Interconnection Customer with respect to this LGIA or to enter into an agreement with Transmission Provider imposing on the acquiring party or transferee the same obligations applicable to Interconnection Customer pursuant to this Appendix H.

**5. Publication.** Interconnection Customer consents to the release by the WECC of information related to Interconnection Customer's compliance with this LGIA only in accordance with the WECC Reliability Criteria Agreement.

**6. Third Parties.** Except for the rights and obligations between the WECC and Interconnection Customer specified in this Appendix H, this LGIA creates contractual rights and obligations solely between the Parties. Nothing in this LGIA shall create, as between the Parties or with respect to the WECC: (1) any obligation or liability whatsoever (other than as expressly provided in this LGIA) or (2) any duty or standard of care whatsoever. In addition, nothing in this LGIA shall create any duty, liability or standard of care whatsoever as to any other party.



Except for any rights, as a third-party beneficiary under this Appendix H, of the WECC against Interconnection Customer, no third party shall have any rights whatsoever with respect to enforcement of any provision of this LGIA. Transmission Provider and Interconnection Customer expressly intend that the WECC is a third-party beneficiary of this Appendix H, and the WECC shall have the right to seek to enforce against Interconnection Customer any provision of this Appendix H, provided, that specific performance shall be the sole remedy available to the WECC pursuant to this Appendix H, and Interconnection Customer shall not be liable to the WECC pursuant to this LGIA for damages of any kind whatsoever (other than the payment of sanctions to the WECC, if so construed), whether direct, compensatory, special, indirect, consequential or punitive.

**7. Reserved Rights.** Nothing in the RMS or the WECC Reliability Criteria Agreement shall affect the right of Transmission Provider, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection, which Transmission Provider may otherwise be entitled to take.

**8. Severability.** If one or more provisions of this Appendix H shall be invalid, illegal or unenforceable in any respect, it shall be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability shall not affect the validity of the other provisions of this LGIA.

**9. Termination.** Interconnection Customer may terminate its obligations pursuant to this Appendix H:

(a) if after the effective date of this Appendix H, the requirements of the WECC Reliability Criteria Agreement applicable to Interconnection Customer are amended so as to adversely affect Interconnection Customer, provided that Interconnection Customer gives fifteen (15) days' notice of such termination to Transmission Provider and the WECC within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, provided, further, that the forty-five (45) day period within which notice of termination is required may be extended by Interconnection Customer for an additional forty-five (45) days if Interconnection Customer gives written notice to Transmission Provider of such requested extension within the initial forty-five (45) day period; or

(b) for any reason on one year's written notice to Transmission Provider and the WECC.

**10. Mutual Agreement.** This Appendix H may be terminated at any time by mutual agreement of Transmission Provider and Interconnection Customer.

**APPENDIX 7 TO LGIP (also referred to as APPENDIX G)  
INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT**

Appendix 7 sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

**A. Special Procedures Applicable to Wind Generators**

The wind plant Interconnection Customer, in completing the Interconnection Request required by section 3.3 of this LGIP, may provide to the Transmission Provider a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LGIP. No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the Transmission Provider to complete the System Impact Study.

**ANNEX B**

**STANDARD SMALL GENERATOR  
INTERCONNECTION PROCEDURES (SGIP)**

**Including**

**SMALL GENERATOR  
INTERCONNECTION AGREEMENT (SGIA)**

## **Annex B**

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

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**Attachment 5** - Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW ("10 kW Inverter Process")

**Attachment 6** - Feasibility Study Agreement

**Attachment 7** - System Impact Study Agreement

**Attachment 8** - Facilities Study Agreement

## Section 1. Application

### 1.1 Applicability

- 1.1.1 A request to interconnect a certified Small Generating Facility (See Attachments 3 and 4 for description of certification criteria) to the Transmission Provider's Distribution System shall be evaluated under the section 2 Fast Track Process if the eligibility requirements of section 2.1 are met. A request to interconnect a certified inverter-based Small Generating Facility no larger than 10 kilowatts (kW) shall be evaluated under the Attachment 5 10 kW Inverter Process. A request to interconnect a Small Generating Facility no larger than 20 megawatts (MW) that does not meet the eligibility requirements of section 2.1, or does not pass the Fast Track Process or the 10 kW Inverter Process, shall be evaluated under the section 3 Study Process. If the interconnection Customer wishes to interconnect its Small Generating Facility using Network Resource Interconnection Service, it must do so under the Standard Large Generator Interconnection Procedures and execute the Standard Large Generator Interconnection Agreement.
- 1.1.2 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.
- 1.1.3 Neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to 60 Business Days after the effective date of these procedures.
- 1.1.4 Prior to submitting its Interconnection Request (Attachment 2), the Interconnection Customer may ask the Transmission Provider's interconnection contact employee or office whether the proposed interconnection is subject to these procedures. The Transmission Provider shall respond within 15 Business Days.
- 1.1.5 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Federal Energy Regulatory Commission expects all Transmission Providers, market participants, and Interconnection Customers interconnected with electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.
- 1.1.6 References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

## 1.2 Pre-Application

- 1.2.1 The Transmission Provider shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and email address of such contact employee or office shall be made available on the Transmission Provider's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Transmission Provider's Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The Transmission Provider shall comply with reasonable requests for such information.
- 1.2.2 In addition to the information described in section 1.2.1, which may be provided in response to an informal request, an Interconnection Customer may email a formal written request form along with a non-refundable fee of \$300 for a pre-application report on a proposed project at a specific site. The Transmission provider shall provide the pre-application data described in section 1.2.3 to the Interconnection Customer within 20 Business Days of receipt of the completed request form and payment of the \$300 fee. The pre-application report produced by the Transmission Provider is non-binding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the Transmission Provider's system. The written pre-application report request form shall include the information in sections 1.2.2.1 through 1.2.2. below to clearly and sufficiently identify the location of the proposed Point of Interconnection.
- 1.2.2.1 Project contact information, including name, address, phone number, and email address.
- 1.2.2.2 Project location (street address with nearby cross streets and town).
- 1.2.2.3 Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.
- 1.2.2.4 Generator Type (e.g., solar, wind, combined heat and power, etc.).
- 1.2.2.5 Size (alternating current kW).
- 1.2.2.6 Single or three phase generator configuration.
- 1.2.2.7 Stand-alone generator (no onsite load, not including station service - Yes or No?).
- 1.2.2.8 Is new service requested? Yes or No? If there is existing service,



include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.

1.2.3. Using the information provided in the pre-application report request form in section 1.2.2, the Transmission Provider will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by the Transmission Provider does not necessarily indicate, after application of the screens and/or study, that this would be the circuit the project ultimately connects to. The Interconnection Customer must request additional pre-application reports if information about multiple Points of Interconnection is requested. Subject to section 1.2.4, the pre-application report will include the following information:

- 1.2.3.1 Total capacity (in MW) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Interconnection.
- 1.2.3.2 Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed Point of Interconnection.
- 1.2.3.3 Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed Point of Interconnection.
- 1.2.3.4 Available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).
- 1.2.3.5 Substation nominal distribution voltage and/or transmission nominal voltage if applicable.
- 1.2.3.6 Nominal distribution circuit voltage at the proposed Point of Interconnection.
- 1.2.3.7 Approximate circuit distance between the proposed Point of Interconnection and the substation.
- 1.2.3.8 Relevant line section(s) actual or estimated peak load and minimum load data, including daytime minimum load as described in section 2.4.4.1.1 below and absolute minimum load, when available.
- 1.2.3.9 Number and rating of protective devices and number and type

(standard, bi-directional) of voltage regulating devices between the proposed Point of Interconnection and the substation/area. Identify whether the substation has a load tap changer.

- 1.2.3.10 Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.
- 1.2.3.11 Limiting conductor ratings from the proposed Point of Interconnection to the distribution substation.
- 1.2.3.12 Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.
- 1.2.3.13 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.

1.2.4 The pre-application report need only include existing data. A pre-application report request does not obligate the Transmission Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the Transmission Provider cannot complete all or some of a pre-application report due to lack of available data, the Transmission Provider shall provide the Interconnection Customer with a pre-application report that includes the data that is available. The provision of information on “available capacity” pursuant to section 1.2.3.4 does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the pre-application report may become outdated at the time of the submission of the complete Interconnection Request. Notwithstanding any of the provisions of this section, the Transmission Provider shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

### 1.3 Interconnection Request

The Interconnection Customer shall email its Interconnection Request to the Transmission Provider, together with the processing fee or deposit specified in the Interconnection Request. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and time-stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by the Transmission Provider within three Business Days of receiving the Interconnection Request. The Transmission Provider shall notify the Interconnection Customer within ten Business Days of the receipt of the Interconnection Request as to

whether the Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, the Transmission Provider shall provide along with the notice that the Interconnection Request is incomplete, a written list detailing all information that must be provided to complete the Interconnection Request. The Interconnection Customer will have ten Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If the Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to the Transmission Provider.

1.4 Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by the Transmission Provider and the Interconnection Customer may be deemed a withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.

1.5 Site Control

Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

- 1.5.1 Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;
- 1.5.2 An option to purchase or acquire a leasehold site for such purpose; or
- 1.5.3 An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

1.6 Queue Position

The Transmission Provider shall assign a Queue Position based upon the date- and time-stamp of the Interconnection Request. The Queue Position of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. The Transmission Provider shall maintain a single queue per geographic region. At the Transmission Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.

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

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

## Section 2. Fast Track Process

### 2.1 Applicability

The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Small Generating Facility with the Transmission Provider's Distribution System if the Small Generating Facility's capacity does not exceed the size limits identified in the table below. Small Generating Facilities below these limits are eligible for Fast Track review. However, Fast Track eligibility is distinct from the Fast Track Process itself, and eligibility does not imply or indicate that a Small Generating Facility will pass the Fast Track screens in section 2.2.1 below or the Supplemental Review screens in section 2.4.4 below.

Fast Track eligibility is determined based upon the generator type, the size of the generator, voltage of the line and the location of and the type of line at the Point of Interconnection. All Small Generating Facilities connecting to lines greater than 69 kilovolt (kV) are ineligible for the Fast Track Process regardless of size. All synchronous and induction machines must be no larger than 2 MW to be eligible for the Fast Track Process, regardless of location. For certified inverter-based systems, the size limit varies according to the voltage of the line at the proposed Point of Interconnection. Certified inverter-based Small Generating Facilities located within 2.5 electrical circuit miles of a substation and on a mainline (as defined in the table below) are eligible for the Fast Track Process under the higher thresholds according to the table below. In addition to the size threshold, the Interconnection Customer's proposed Small Generating Facility must meet the codes, standards, and certification requirements of Attachments 3 and 4 of these procedures, or the Transmission Provider has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

Fast Track Eligibility for Inverter-Based Systems		
Line Voltage	Fast Track Eligibility Regardless of Location	Fast Track Eligibility on a Mainline and $\leq 2.5$ Electrical Circuit Miles from Substation
$< 5$ kV	$\leq 500$ kW	$\leq 500$ kW
$\geq 5$ kV and $< 15$ kV	$\leq 2$ MW	$\leq 3$ MW
$\geq 15$ kV and $< 30$ kV	$\leq 3$ MW	$\leq 4$ MW
$\geq 30$ kV and $\leq 69$ kV	$\leq 4$ MW	$\leq 5$ MW

## 2.2 Initial Review

Within 15 Business Days after the Transmission Provider notifies the Interconnection Customer it has received a complete Interconnection Request, the Transmission Provider shall perform an initial review using the screens set forth below, shall notify the Interconnection Customer of the results, and include with the notification copies of the analysis and data underlying the Transmission Provider's determinations under the screens.

### 2.2.1 Screens

- 2.2.1.1 The proposed Small Generating Facility's Point of Interconnection must be on a portion of the Transmission Provider's Distribution System that is subject to the Tariff.
- 2.2.1.2 For interconnection of a proposed Small Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Small Generating Facility, on the circuit shall not exceed 15 % of the line section annual peak load as most recently measured at the substation. A line section is that portion of a Transmission Provider's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.
- 2.2.1.3 For interconnection of a proposed Small Generating Facility to the load side of spot network protectors, the proposed Small Generating Facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 5 % of a spot network's maximum load or 50 kW.
- 2.2.1.4 The proposed Small Generating Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than 10 % to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.
- 2.2.1.5 The proposed Small Generating Facility, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed 87.5 % of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 % of the short circuit interrupting capability.
- 2.2.1.6 Using the table below, determine the type of interconnection to a

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

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

- 2.2.1.7 If the proposed Small Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Small Generating Facility, shall not exceed 20 kW.
- 2.2.1.8 If the proposed Small Generating Facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20 % of the nameplate rating of the service transformer.
- 2.2.1.9 The Small Generating Facility, in aggregate with other generation interconnected to the transmission side of a substation transformer feeding the circuit where the Small Generating Facility proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (e.g., three or four transmission busses from the point of interconnection).
- 2.2.1.10 No construction of facilities by the Transmission Provider on its own system shall be required to accommodate the Small Generating Facility.
- 2.2.2 If the proposed interconnection passes the screens, the Interconnection Request shall be approved and the Transmission Provider will provide the Interconnection Customer an executable interconnection agreement within five Business Days after the determination.
- 2.2.3 If the proposed interconnection fails the screens, but the Transmission Provider determines that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards, the Transmission Provider shall provide the Interconnection Customer an executable

interconnection agreement within five Business Days after the determination.

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

### 2.3 Customer Options Meeting

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

2.3.1 Offer to perform facility modifications or minor modifications to the Transmission Provider's electric system(e.g., changing meters, fuses, relay settings) and provide a non-binding good faith estimate of the limited cost to make such modifications to the Transmission Provider's electric system. If the Interconnection Customer agrees to pay for the modifications to the Transmission Provider's electric system, the Transmission Provider will provide the Interconnection Customer with an executable interconnection agreement within ten Business Days of the customer options meeting; or

2.3.2 Offer to perform a supplemental review in accordance with section 2.4 and provide a non-binding good faith estimate of the costs of such review; or

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

### 2.4 Supplemental Review

2.4.1 To accept the offer of a supplemental review, the Interconnection Customer shall agree in writing via email, and submit a deposit via ACH or wire transfer for the estimated costs of the supplemental review in the amount of the Transmission Provider's good faith estimate of the costs of such review, both within 15 Business Days of the offer. If the written agreement and deposit have not been

received by the Transmission Provider within that timeframe, the Interconnection Request shall continue to be evaluated under section 3 Study Process unless it is withdrawn by the Interconnection Customer.

- 2.4.2 The Interconnection Customer may specify the order in which the Transmission Provider will complete the screens in section 2.4.4.
- 2.4.3 The Interconnection Customer shall be responsible for the Transmission Provider's actual costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within 20 Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the Transmission Provider will return such excess within 20 Business Days of the invoice without interest.
- 2.4.4 Within 30 Business Days following receipt of the deposit for a supplemental review, the Transmission Provider shall (1) perform a supplemental review using the screens set forth below; (2) notify in writing the Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying the Transmission Provider's determinations under the screens. Unless the Interconnection Customer provided instructions for how to respond to the failure of any of the supplemental review screens below at the time the Interconnection Customer accepted the offer of supplemental review, the Transmission Provider shall notify the Interconnection Customer following the failure of any of the screens, or if it is unable to perform the screen in section 2.4.4.1, within two Business Days of making such determination to obtain the Interconnection Customer's permission to: (1) continue evaluating the proposed interconnection under this section 2.4.4; (2) terminate the supplemental review and continue evaluating the Small Generating Facility under section 3; or (3) terminate the supplemental review upon withdrawal of the Interconnection Request by the Interconnection Customer.
  - 2.4.4.1 Minimum Load Screen: Where 12 months of line section minimum load data (including onsite load but not station service load served by the proposed Small Generating Facility) are available, can be calculated, can be estimated from existing data, or determined from a power flow model, the aggregate Generating Facility capacity on the line section is less than 100% of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed Small Generating Facility. If minimum load data is not available, or cannot be calculated, estimated or determined, the Transmission Provider shall include the reason(s) that it is unable to calculate, estimate or determine minimum load in its supplemental review results notification under section 2.4.4.
    - 2.4.4.1.1 The type of generation used by the proposed Small



Generating Facility will be taken into account when calculating, estimating, or determining circuit or line section minimum load relevant for the application of screen 2.4.4.1. Solar photovoltaic (PV) generation systems with no battery storage use daytime minimum load (i.e. 10 a.m. to 4 p.m. for fixed panel systems and 8 a.m. to 6 p.m. for PV systems utilizing tracking systems), while all other generation uses absolute minimum load.

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

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

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

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

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

2.4.4.3.2 Whether the loading along the line section uniform or even.

2.4.4.3.3 Whether the proposed Small Generating Facility is

located in close proximity to the substation (i.e., less than 2.5 electrical circuit miles), and whether the line section from the substation to the Point of Interconnection is a Mainline rated for normal and emergency ampacity.

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

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

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

2.4.5 If the proposed interconnection passes the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, the Interconnection Request shall be approved and the Transmission Provider will provide the Interconnection Customer with an executable interconnection agreement within the timeframes established in sections 2.4.5.1 and 2.4.5.2 below. If the proposed interconnection fails any of the supplemental review screens and the Interconnection Customer does not withdraw its Interconnection Request, it shall continue to be evaluated under the section 3 Study Process consistent with section 2.4.5.3 below.

2.4.5.1 If the proposed interconnection passes the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above and does not require construction of facilities by the Transmission Provider on its own system, the interconnection agreement shall be provided within ten Business Days after the notification of the supplemental review results.

2.4.5.2 If interconnection facilities or minor modifications to the Transmission Provider's system are required for the proposed interconnection to pass the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, and the Interconnection Customer agrees to pay for the modifications to the Transmission Provider's electric system, the interconnection agreement, along

with a non-binding good faith estimate for the interconnection facilities and/or minor modifications, shall be provided to the Interconnection Customer within 15 Business Days after receiving written notification of the supplemental review results.

- 2.4.5.3 If the proposed interconnection would require more than interconnection facilities or minor modifications to the Transmission Provider's system to pass the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, the Transmission Provider shall notify the Interconnection Customer, at the same time it notifies the Interconnection Customer with the supplemental review results, that the Interconnection Request shall be evaluated under the section 3 Study Process unless the Interconnection Customer withdraws its Small Generating Facility.

### **Section 3. Study Process**

#### **3.1 Applicability**

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

#### **3.2 Scoping Meeting**

- 3.2.1 A scoping meeting will be held within ten Business Days after the Interconnection Request is deemed complete, or as otherwise mutually agreed to by the Parties. The Transmission Provider and the Interconnection Customer will bring to the meeting personnel, including system engineers and other resources as may be reasonably required to accomplish the purpose of the meeting.
- 3.2.2 The purpose of the scoping meeting is to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The Parties shall further discuss whether the Transmission Provider should perform a feasibility study or proceed directly to a system impact study, or a facilities study, or an interconnection agreement. If the Parties agree that a feasibility study should be performed, the Transmission Provider shall provide the Interconnection Customer, as soon as possible, but not later than five Business Days after the scoping meeting, a feasibility study agreement (Attachment 6) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.
- 3.2.3 The scoping meeting may be omitted by mutual agreement. In order to remain in consideration for interconnection, an Interconnection Customer who has

requested a feasibility study must return the executed feasibility study agreement within 15 Business Days. If the Parties agree not to perform a feasibility study, the Transmission Provider shall provide the Interconnection Customer, no later than five Business Days after the scoping meeting, a system impact study agreement (Attachment 7) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

### 3.3 Feasibility Study

- 3.3.1 The feasibility study shall identify any potential adverse system impacts that would result from the interconnection of the Small Generating Facility.
- 3.3.2 A deposit of the lesser of 50 percent of the good faith estimated feasibility study costs or earnest money of \$1,000 may be required from the Interconnection Customer.
- 3.3.3 The scope of and cost responsibilities for the feasibility study are described in the attached feasibility study agreement (Attachment 6).
- 3.3.4 If the feasibility study shows no potential for adverse system impacts, the Transmission Provider shall send the Interconnection Customer a facilities study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study. If no additional facilities are required, the Transmission Provider shall send the Interconnection Customer an executable interconnection agreement within five Business Days.
- 3.3.5 If the feasibility study shows the potential for adverse system impacts, the review process shall proceed to the appropriate system impact study(s).

### 3.4 System Impact Study

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

following the scoping meeting if no feasibility study is to be performed.

- 3.4.3 In instances where the feasibility study or the distribution system impact study shows potential for transmission system adverse system impacts, within five Business Days following transmittal of the feasibility study report, the Transmission Provider shall send the Interconnection Customer a transmission system impact study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, if such a study is required.
- 3.4.4 If a transmission system impact study is not required, but electric power Distribution System adverse system impacts are shown by the feasibility study to be possible and no distribution system impact study has been conducted, the Transmission Provider shall send the Interconnection Customer a distribution system impact study agreement.
- 3.4.5 If the feasibility study shows no potential for transmission system or Distribution System adverse system impacts, the Transmission Provider shall send the Interconnection Customer either a facilities study agreement (Attachment 8), including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.
- 3.4.6 In order to remain under consideration for interconnection, the Interconnection Customer must return executed system impact study agreements, if applicable, within 30 Business Days.
- 3.4.7 A deposit of the good faith estimated costs for each system impact study may be required from the Interconnection Customer.
- 3.4.8 The scope of and cost responsibilities for a system impact study are described in the attached system impact study agreement.
- 3.4.9 Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission-dependent utilities ("TDUs") - whether investor-owned or not - the Interconnection Customer may apply to the nearest Transmission Provider (Transmission Owner, Regional Transmission Operator, or Independent Transmission Provider) providing transmission service to the TDU to request project coordination. Affected Systems shall participate in the study and provide all information necessary to prepare the study.

### 3.5 Facilities Study

- 3.5.1 Once the required system impact study(s) is completed, a system impact study report shall be prepared and transmitted to the Interconnection Customer along with a facilities study agreement within five Business Days, including an

outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study. In the case where one or both impact studies are determined to be unnecessary, a notice of the fact shall be transmitted to the Interconnection Customer within the same timeframe.

- 3.5.2 In order to remain under consideration for interconnection, or, as appropriate, in the Transmission Provider's interconnection queue, the Interconnection Customer must return the executed facilities study agreement or a request for an extension of time within 30 Business Days.
- 3.5.3 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).
- 3.5.4 Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. The Transmission Provider may contract with consultants to perform activities required under the facilities study agreement. The Interconnection Customer and the Transmission Provider may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by the Transmission Provider, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the Transmission Provider shall make sufficient information available to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.
- 3.5.5 A deposit of the good faith estimated costs for the facilities study may be required from the Interconnection Customer.
- 3.5.6 The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement.
- 3.5.7 Upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, the Transmission Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days.

#### **Section 4. Provisions that Apply to All Interconnection Requests**

##### **4.1 Reasonable Efforts**

The Transmission Provider shall make reasonable efforts to meet all time frames

provided in these procedures unless the Transmission Provider and the Interconnection Customer agree to a different schedule. If the Transmission Provider cannot meet a deadline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

## 4.2 Disputes

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

## 4.3 Interconnection Metering

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

## 4.4 Commissioning

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

#### 4.5. Confidentiality

4.5.1 Confidential information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of these procedures all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.

4.5.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce these procedures. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under these procedures, or to fulfill legal or regulatory requirements.

4.5.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

4.5.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

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

#### 4.6 Comparability

The Transmission Provider shall receive, process and analyze all Interconnection



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

4.7 Record Retention

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

4.8 Interconnection Agreement

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

4.9 Coordination with Affected Systems

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

4.10 Capacity of the Small Generating Facility

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

4.10.2 If the Interconnection Request is for a Small Generating Facility that includes multiple energy production devices at a site for which the Interconnection Customer seeks a single Point of Interconnection, the Interconnection Request

shall be evaluated on the basis of the aggregate capacity of the multiple devices.

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

## **5. EIM Requirements**

- 5.1 The Interconnection Customer shall have a continuing duty to comply with Attachment O of this Tariff, as applicable.

## Glossary of Terms

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

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

**Business Day** - Monday through Friday, excluding Federal Holidays.

**Distribution System** - The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

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

**Fast Track Process** - The procedure for evaluating an Interconnection Request for a certified Small Generating Facility that meets the eligibility requirements of section 2.1 and includes the section 2 screens, customer options meeting, and optional supplemental review.

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

**Interconnection Customer** - Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

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

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

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

**Network Resource** - Any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

**Network Resource Interconnection Service** - An Interconnection Service that allows the Interconnection Customer to integrate its Generating Facility with the Transmission Provider's System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

**Network Upgrades** - Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection with the Small Generating Facility to the Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

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

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

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

**Small Generating Facility** - The Interconnection Customer's device for the production

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

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

**Transmission Owner** - The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

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

**Transmission System** - The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

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

**SMALL GENERATOR INTERCONNECTION REQUEST  
(Application Form)**

**Transmission Provider:** \_\_\_\_\_

Designated Contact Person: \_\_\_\_\_

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

Telephone Number: \_\_\_\_\_

Fax: \_\_\_\_\_

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

An Interconnection Request is considered complete when it provides all applicable and correct information required below. Per SGIP section 1.5, documentation of site control must be submitted with the Interconnection Request.

**Preamble and Instructions**

An Interconnection Customer who requests a Federal Energy Regulatory Commission jurisdictional interconnection must submit this Interconnection Request by email to the Transmission Provider.

**Processing Fee or Deposit:**

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

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

**Interconnection Customer Information**

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

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

Contact Person: \_\_\_\_\_

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

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Facility Location (if different from above): \_\_\_\_\_

Telephone (Day): \_\_\_\_\_ Telephone (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ Email Address: \_\_\_\_\_

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

Telephone (Day): \_\_\_\_\_ Telephone (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ Email Address: \_\_\_\_\_

Application is for:  New Small Generating Facility  
 Capacity addition to Existing Small Generating Facility

If capacity addition to existing facility, please describe: \_\_\_\_\_

Will the Small Generating Facility be used for any of the following?

Net Metering? Yes \_\_\_ No \_\_\_

To Supply Power to the Interconnection Customer? Yes \_\_\_ No \_\_\_

\_\_\_ To Supply Power to Others? Yes \_\_\_ No \_\_\_

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

(Local Electric Service Provider\*)

(Existing Account Number\*)

[\*To be provided by the Interconnection Customer if the local electric service provider is different from the Transmission Provider]

Contact Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

Telephone (Day): \_\_\_\_\_ Telephone (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

Requested Point of Interconnection: \_\_\_\_\_





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

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

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

Max design fault contribution current: \_\_\_\_\_ Instantaneous or RMS?

Harmonics Characteristics: \_\_\_\_\_

Start-up requirements: \_\_\_\_\_

Small Generating Facility Characteristic Data (for rotating machines)

RPM Frequency: \_\_\_\_\_

(\*) Neutral Grounding Resistor (If Applicable): \_\_\_\_\_

Synchronous Generators:

Direct Axis Synchronous Reactance,  $X_d$ : \_\_\_\_\_ P.U.

Direct Axis Transient Reactance,  $X'_d$ : \_\_\_\_\_ P.U.

Direct Axis Subtransient Reactance,  $X''_d$ : \_\_\_\_\_ P.U.

Negative Sequence Reactance,  $X_2$ : \_\_\_\_\_ P.U.

Zero Sequence Reactance,  $X_0$ : \_\_\_\_\_ P.U.

KVA Base: \_\_\_\_\_

Field Volts: \_\_\_\_\_

Field Amperes: \_\_\_\_\_

Induction Generators:

Motoring Power (kW): \_\_\_\_\_

$I^2t$  or K (Heating Time Constant): \_\_\_\_\_

Rotor Resistance,  $R_r$ : \_\_\_\_\_

Stator Resistance,  $R_s$ : \_\_\_\_\_

Stator Reactance,  $X_s$ : \_\_\_\_\_

Rotor Reactance,  $X_r$ : \_\_\_\_\_

Magnetizing Reactance,  $X_m$ : \_\_\_\_\_

Short Circuit Reactance,  $X_d''$ : \_\_\_\_\_

Exciting Current: \_\_\_\_\_

Temperature Rise: \_\_\_\_\_

Frame Size: \_\_\_\_\_

Design Letter: \_\_\_\_\_

Reactive Power Required In Vars (No Load): \_\_\_\_\_

Reactive Power Required In Vars (Full Load): \_\_\_\_\_

Total Rotating Inertia, H: \_\_\_\_\_ Per Unit on kVA Base

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

Excitation and Governor System Data for Synchronous Generators Only

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

**Interconnection Facilities Information**

Will a transformer be used between the generator and the point of common coupling? \_\_\_Yes \_\_\_No

Will the transformer be provided by the Interconnection Customer? \_\_\_Yes \_\_\_No

Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):

Is the transformer: \_\_\_single phase \_\_\_three phase? Size: \_\_\_\_\_ kVA  
Transformer Impedance: \_\_\_\_\_ % on \_\_\_\_\_ kVA Base

If Three Phase:

Transformer Primary: \_\_\_\_\_ Volts \_\_\_\_\_ Delta \_\_\_\_\_ Wye \_\_\_\_\_ Wye Grounded

Transformer Secondary: \_\_\_\_\_ Volts \_\_\_\_\_ Delta \_\_\_\_\_ Wye \_\_\_\_\_ Wye Grounded

Transformer Tertiary: \_\_\_\_\_ Volts \_\_\_\_\_ Delta \_\_\_\_\_ Wye \_\_\_\_\_ Wye Grounded

Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):

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

Manufacturer: \_\_\_\_\_ Type: \_\_\_\_\_ Size: \_\_\_\_\_ Speed: \_\_\_\_\_

Interconnecting Circuit Breaker (if applicable):

Manufacturer: \_\_\_\_\_ Type: \_\_\_\_\_

Load Rating (Amps): \_\_\_\_\_ Interrupting Rating (Amps): \_\_\_\_\_ Trip Speed (Cycles): \_\_\_\_\_

Interconnection Protective Relays (If

Applicable): If

Microprocessor-Controlled:

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

Setpoint Function	Minimum	Maximum
-------------------	---------	---------

1. \_\_\_\_\_

3. \_\_\_\_\_

5. \_\_\_\_\_

If Discrete Components:

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

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

Current Transformer Data (If Applicable):

(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)

Manufacturer: \_\_\_\_\_  
Type: \_\_\_\_\_ Accuracy Class: Proposed Ratio Connection: \_\_\_\_\_

Manufacturer: \_\_\_\_\_  
Type: \_\_\_\_\_ Accuracy Class: Proposed Ratio Connection: \_\_\_\_\_

Potential Transformer Data (If

Applicable): Manufacturer: \_\_\_\_\_  
Type: \_\_\_\_\_ Accuracy Class: Proposed Ratio Connection: \_\_\_\_\_

Manufacturer: \_\_\_\_\_  
Type: \_\_\_\_\_ Accuracy Class: Proposed Ratio Connection: \_\_\_\_\_

**General Information**

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

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

Proposed location of protective interface equipment on property (include address if different from the

Interconnection Customer's address)

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

Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable). Are Schematic Drawings Enclosed?  Yes  No

**Applicant Signature**

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

For Interconnection Customer: \_\_\_\_\_ Date: \_\_\_\_\_

## **Certification Codes and Standards**

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

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

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems

NFPA 70 (2002), National Electrical Code

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

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

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers

IEEE Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network

Protectors

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

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

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

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

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

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

## **Certification of Small Generator Equipment Packages**

- 1.0 Small Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced below by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in SGIP Attachment 3, (2) it has been labeled and is publicly listed by such NRTL at the time of the interconnection application, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer's literature accompanying the equipment.
- 2.0 The Interconnection Customer must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.
- 3.0 Certified equipment shall not require further type-test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the parties to the interconnection nor follow-up production testing by the NRTL.
- 4.0 If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Customer must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.
- 5.0 Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components' labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the customer side of the point of common coupling shall be required to meet the requirements of this interconnection procedure.
- 6.0 An equipment package does not include equipment provided by the utility.
- 7.0 Any equipment package approved and listed in a state by that state's regulatory body for interconnected operation in that state prior to the effective date of these small generator interconnection procedures shall be considered certified under these procedures for use in that state.

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

- 1.0 The Interconnection Customer ("Customer") completes the Interconnection Request ("Application") and submits it to the Transmission Provider ("Company").
- 2.0 The Company acknowledges to the Customer receipt of the Application within three Business Days of receipt.
- 3.0 The Company evaluates the Application for completeness and notifies the Customer within ten Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.
- 4.0 The Company verifies that the Small Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the Small Generator Interconnection Procedures (SGIP). The Company has 15 Business Days to complete this process. Unless the Company determines and demonstrates that the Small Generating Facility cannot be interconnected safely and reliably, the Company approves the Application and returns it to the Customer. Note to Customer: Please check with the Company before submitting the Application if disconnection equipment is required.
- 5.0 After installation, the Customer returns the Certificate of Completion to the Company. Prior to parallel operation, the Company may inspect the Small Generating Facility for compliance with standards which may include a witness test, and may schedule appropriate metering replacement, if necessary.
- 6.0 The Company notifies the Customer in writing that interconnection of the Small Generating Facility is authorized. If the witness test is not satisfactory, the Company has the right to disconnect the Small Generating Facility. The Customer has no right to operate in parallel until a witness test has been performed, or previously waived on the Application. The Company is obligated to complete this witness test within ten Business Days of the receipt of the Certificate of Completion. If the Company does not inspect within ten Business Days or by mutual agreement of the Parties, the witness test is deemed waived.
- 7.0 Contact Information - The Customer must provide the contact information for the legal Applicant (i.e., the Interconnection Customer). If another entity is responsible for interfacing with the Company, that contact information must be provided on the Application.
- 8.0 Ownership Information - Enter the legal names of the owner(s) of the Small Generating Facility. Include the percentage ownership (if any) by any utility or public utility holding

company, or by any entity owned by either.

- 9.0 UL1741 Listed - This standard ("Inverters, Converters, and Controllers for Use in Independent Power Systems") addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers submit their equipment to a Nationally Recognized Testing Laboratory (NRTL) that verifies compliance with UL1741. This "listing" is then marked on the equipment and supporting documentation.



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

This Application is considered complete when it provides all applicable and correct information required below. Per SGIP section 1.5, documentation of site control must be submitted with the Interconnection Request. Additional information to evaluate the Application may be required.

### Processing Fee

A non-refundable processing fee of \$100 must be submitted via ACH or wired at the same time this Application is emailed to Transmission Provider.

### Interconnection Customer

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

Contact Person: \_\_\_\_\_

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

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone (Day): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ Email Address: \_\_\_\_\_

### Contact (if different from Interconnection Customer)

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

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

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone (Day): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ Email Address: \_\_\_\_\_

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

### Small Generating Facility Information

Location (if different from above): \_\_\_\_\_

Electric Service Company: \_\_\_\_\_

Account Number:

Inverter Manufacturer: \_\_\_\_\_ Model \_\_\_\_\_

Nameplate Rating: \_\_\_\_ (kW) \_\_\_\_ (kVA) \_\_\_\_ (AC Volts)

Single Phase \_\_\_\_\_ Three Phase \_\_\_\_\_

System Design Capacity: \_\_\_\_\_ (kW) \_\_\_\_ (kVA)

Prime Mover: Photovoltaic                  Reciprocating Engine      Fuel Cell

Turbine      Other  
Energy Source: Solar   Wind   Hydro   Diesel   Natural Gas  
Fuel Oil      Other (describe) \_\_\_\_\_

Is the equipment UL1741 Listed? Yes \_\_\_\_\_ No \_\_\_\_\_  
If Yes, attach manufacturer's cut-sheet showing UL1741 listing

Estimated Installation Date:                      Estimated In-Service Date:

The 10 kW Inverter Process is available only for inverter-based Small Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Attachments 3 and 4 of the Small Generator Interconnection Procedures (SGIP), or the Transmission Provider has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

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

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

Interconnection Customer Signature

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

Signed: \_\_\_\_\_

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

Contingent Approval to Interconnect the Small

Generating Facility (For Company use only)

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

Company Signature: \_\_\_\_\_

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

Application ID number: \_\_\_\_\_

Company waives inspection/witness test? Yes \_\_\_ No \_\_\_

## Small Generating Facility Certificate of Completion

Is the Small Generating Facility owner-installed? Yes \_\_\_\_\_ No \_\_\_\_\_

Interconnection Customer: \_\_\_\_\_

Contact Person: \_\_\_\_\_

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

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

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone (Day): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ Email Address: \_\_\_\_\_

### Electrician:

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

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

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone (Day): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ Email Address: \_\_\_\_\_

License number: \_\_\_\_\_

Date Approval to Install Facility granted by the Company: \_\_\_\_\_

Application ID number: \_\_\_\_\_

### Inspection:

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

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

\_\_\_\_\_

Print Name: \_\_\_\_\_

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

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

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

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

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

\_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Fax: \_\_\_\_\_

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

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

Company Signature: \_\_\_\_\_

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

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

### **1.0 Construction of the Facility**

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

### **2.0 Interconnection and Operation**

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

- 2.1 Upon completing construction, the Customer will cause the Small Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and
- 2.2 The Customer returns the Certificate of Completion to the Company, and
- 2.3 The Company has either:
  - 2.3.1 Completed its inspection of the Small Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by the Company, at its own expense, within ten Business Days after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. The Company shall provide a written statement that the Small Generating Facility has passed inspection or shall notify the Customer of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or
  - 2.3.2 If the Company does not schedule an inspection of the Small Generating Facility within ten business days after receiving the Certificate of Completion, the witness test is deemed waived (unless the Parties agree otherwise); or
  - 2.3.3 The Company waives the right to inspect the Small Generating Facility.
- 2.4 The Company has the right to disconnect the Small Generating Facility in the event of improper installation or failure to return the Certificate of Completion.
- 2.5 Revenue quality metering equipment must be installed and tested in accordance with applicable ANSI standards

### 3.0 **Safe Operations and Maintenance**

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

### 4.0 **Access**

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

### 5.0 **Disconnection**

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

- 5.1 For scheduled outages upon reasonable notice.
- 5.2 For unscheduled outages or emergency conditions.
- 5.3 If the Small Generating Facility does not operate in the manner consistent with these Terms and Conditions.
- 5.4 The Company shall inform the Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.

### 6.0 **Indemnification**

The Parties shall at all times indemnify, defend, and save the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

### 7.0 **Insurance**

The Parties agree to follow all applicable insurance requirements imposed by the state in which the Point of Interconnection is located. All insurance policies must be maintained with insurers authorized to do business in that state.

### 8.0 **Limitation of Liability**

Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.0.

### 9.0 **Termination**

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

#### 9.1 **By the Customer**

By providing written notice to the Company.

9.2 **By the Company**

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

9.3 **Permanent Disconnection**

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

9.4 **Survival Rights**

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

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

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

## Feasibility Study Agreement

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_, ("Interconnection Customer,") and \_\_\_\_\_, a \_\_\_\_\_ existing under the laws of the State of \_\_\_\_\_, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

### RECITALS

**WHEREAS**, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on \_\_\_\_\_; and

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

**WHEREAS**, Interconnection Customer has requested the Transmission Provider to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed an interconnection feasibility study consistent the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.



- 4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.
- 5.0 In performing the study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.
- 6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:
  - 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
  - 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
  - 6.3 Initial review of grounding requirements and electric system protection; and
  - 6.4 Description and non-binding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.
- 7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.
- 8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.

- 9.0 A deposit of the lesser of 50 percent of good faith estimated feasibility study costs or earnest money of \$1,000 may be required from the Interconnection Customer.
- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a feasibility study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.
- 13.0 Governing Law, Regulatory Authority, and Rules  
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of \_\_\_\_\_ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 14.0 Amendment  
The Parties may amend this Agreement by a written instrument duly executed by both Parties.
- 15.0 No Third-Party Beneficiaries  
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.
- 16.0 Waiver
- 16.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- 16.2 Any waiver at any time by either Party of its rights with respect to this

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

17.0 Multiple Counterparts

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

18.0 No Partnership

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

19.0 Severability

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

20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation

imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

21.0 Reservation of Rights

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

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

**[Insert name of Transmission Provider]**

**[Insert name of Interconnection Customer]**

Signed \_\_\_\_\_ Signed \_\_\_\_\_

Name (Printed): \_\_\_\_\_ Name (Printed): \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

### **Assumptions Used in Conducting the Feasibility Study**

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

- 1) Designation of Point of Interconnection and configuration to be studied.
  
- 2) Designation of alternative Points of Interconnection and configuration.

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

## System Impact Study Agreement

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_, ("Interconnection Customer,") and \_\_\_\_\_, a \_\_\_\_\_ existing under the laws of the State of \_\_\_\_\_, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

### RECITALS

**WHEREAS**, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on \_\_\_\_\_; and

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

**WHEREAS**, the Transmission Provider has completed a feasibility study and provided the results of said study to the Interconnection Customer (This recital to be omitted if the Parties have agreed to forego the feasibility study.); and

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

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
  
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed a system impact study(s) consistent with the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.

- 3.0 The scope of a system impact study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 A system impact study will be based upon the results of the feasibility study and the technical information provided by Interconnection Customer in the Interconnection Request. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the system impact study. If the Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the system impact study may be extended.
- 5.0 A system impact study shall consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary. A system impact study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. A system impact study shall provide a list of facilities that are required as a result of the Interconnection Request and non-binding good faith estimates of cost responsibility and time to construct.
- 6.0 A distribution system impact study shall incorporate a distribution load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.
- 7.0 Affected Systems may participate in the preparation of a system impact study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric systems, and the Transmission Provider has 20 additional Business Days to complete a system impact study requiring review by Affected Systems.
- 8.0 If the Transmission Provider uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all generating facilities (and with respect to paragraph 8.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced -
- 8.1 Are directly interconnected with the Transmission Provider's electric system; or

- 8.2 Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and
- 8.3 Have a pending higher queued Interconnection Request to interconnect with the Transmission Provider's electric system.
- 9.0 A distribution system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 30 Business Days after this Agreement is signed by the Parties. A transmission system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 45 Business Days after this Agreement is signed by the Parties, or in accordance with the Transmission Provider's queuing procedures.
- 10.0 A deposit of the equivalent of the good faith estimated cost of a distribution system impact study and the one half the good faith estimated cost of a transmission system impact study may be required from the Interconnection Customer.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.
- 13.0 Governing Law, Regulatory Authority, and Rules  
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of \_\_\_\_\_ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 14.0 Amendment  
The Parties may amend this Agreement by a written instrument duly executed by both Parties.
- 15.0 No Third-Party Beneficiaries  
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and



benefit of the Parties, their successors in interest and where permitted, their assigns.

16.0 Waiver

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

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

17.0 Multiple Counterparts

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

18.0 No Partnership

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

19.0 Severability

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

20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

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

20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

21.0 Reservation of Rights

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

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

**[Insert name of Transmission Provider] [Insert name of Interconnection Customer]**

\_\_\_\_\_

Signed: \_\_\_\_\_ Signed: \_\_\_\_\_

Name (Printed): \_\_\_\_\_ Name (Printed): \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

## **Assumptions Used in Conducting the System Impact Study**

The system impact study shall be based upon the results of the feasibility study, subject to any modifications in accordance with the standard Small Generator Interconnection Procedures, and the following assumptions:

- 1) Designation of Point of Interconnection and configuration to be studied.
  
- 2) Designation of alternative Points of Interconnection and configuration.

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

## Facilities Study Agreement

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_, ("Interconnection Customer,") and \_\_\_\_\_, a \_\_\_\_\_ existing under the laws of the State of \_\_\_\_\_, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

### RECITALS

**WHEREAS**, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on \_\_\_\_\_; and

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

**WHEREAS**, the Transmission Provider has completed a system impact study and provided the results of said study to the Interconnection Customer; and

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

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access Transmission Tariff.

- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.
- 4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.
- 5.0 The Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.
- 6.0 A deposit of the good faith estimated facilities study costs may be required from the Interconnection Customer.
- 7.0 In cases where Upgrades are required, the facilities study must be completed within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.
- 8.0 Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the facilities study report transmitted  
  
within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.
- 9.0 Interconnection Customer may, within 30 Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within 15 Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and

databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 4.5 of the standard Small Generator Interconnection Procedures.

10.0 Within ten Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

13.0 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of \_\_\_\_\_ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

14.0 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

15.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

16.0 Waiver

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

16.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to

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

17.0 Multiple Counterparts

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

18.0 No Partnership

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

19.0 Severability

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

20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable

obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

21.0 Reservation of Rights

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

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

**[Insert name of Transmission Provider]**    **[Insert name of Interconnection Customer]**

Signed: \_\_\_\_\_ Signed: \_\_\_\_\_

Name (Printed): \_\_\_\_\_ Name (Printed): \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_



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

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

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

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

Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes      No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation?      Yes \_\_\_\_\_ No \_\_\_\_\_

(Please indicate on the one-line diagram).

What type of control system or PLC will be located at the Small Generating Facility?

What protocol does the control system or PLC use?

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

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

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

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

Number of third party easements required for transmission lines\*:

\* To be completed in coordination with Transmission Provider.

Is the Small Generating Facility located in Transmission Provider's service area?

Yes \_\_\_\_\_ No \_\_\_\_\_ If No, please provide name of local provider:

Please provide the following proposed schedule dates:

Begin Construction Date: \_\_\_\_\_

Generator step-up transformers  
receive back feed power Date: \_\_\_\_\_

Generation Testing Date: \_\_\_\_\_

Commercial Operation Date: \_\_\_\_\_

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

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

**Transmission Provider Information**

Transmission Provider: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

**Interconnection Customer Information**

Interconnection Customer: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

Interconnection Customer Application No: \_\_\_\_\_

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

**Article 1. Scope and Limitations of Agreement**

- 1.1 This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.
- 1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Transmission Provider's Transmission System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Transmission Provider.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between the

Transmission Provider and the Interconnection Customer.

1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities and in accordance with the applicable manufacturer's recommended maintenance schedule, in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 The Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Provider and any Affected Systems.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Transmission Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Provider's Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.
- 1.5.6 The Transmission Provider shall coordinate with all Affected Systems to support the interconnection.
- 1.5.7 The Interconnection Customer shall ensure "frequency ride through" capability and "voltage ride through" capability of its Small Generating Facility. The Interconnection Customer shall enable these capabilities such that its Small



Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Transmission Provider and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to section 2.1 of this agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The Small Generating Facility's protective equipment settings shall comply with the Transmission Provider's automatic load-shed program. The Transmission Provider shall review the protective equipment settings to confirm compliance with the automatic load-shed program. The term "ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority on a comparable basis. The term "frequency ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The term "voltage ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of under-voltage and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis.

1.6 Parallel Operation Obligations

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

1.7 Metering

The Interconnection Customer shall be responsible for the Transmission Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and

data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

## 1.8 Reactive Power and Primary Frequency Response

### 1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all similarly situated synchronous generators in the control area on a comparable basis.

1.8.1.2 Non-Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all similarly situated non-synchronous generators in the control area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall 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).

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

1.8.3 Payments shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced.

1.8.4 Primary Frequency Response. Interconnection Customer shall ensure the

primary frequency response capability of its Small Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Small Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and  $\pm 0.036$  Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Small Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Small Generating Facility’s real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Small Generating Facility’s real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the Transmission System, Interconnection Customer shall operate the Small Generating Facility consistent with the provisions specified in Sections 1.8.4.1 and 1.8.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities

**1.8.4.1 Governor or Equivalent Controls.** Whenever the Small Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1), in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of  $\pm 0.036$  Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be

required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Small Generating Facility's governor or equivalent controls to a minimum whenever the Small Generating Facility is operated in parallel with the Transmission System.

1.8.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Small Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Small Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

1.8.4.3 Exemptions. Small Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 1.8.4, 1.8.4.1, and 1.8.4.2 of this Agreement. Small Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 1.8.4, but shall be otherwise exempt from the operating requirements in Sections 1.8.4, 1.8.4.1, 1.8.4.2, and 1.8.4.4 of this Agreement.

1.8.4.4 Electric Storage Resources. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Attachment 5 of its

SGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 1.8.4, 1.8.4.1, 1.8.4.2 and 1.8.4.3 of this Agreement. Attachment 5 shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Attachment 5 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 1.8.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

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

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

### **2.1 Equipment Testing and Inspection**

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

Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Transmission Provider a written test report when such testing and inspection is completed.

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

## 2.2 Authorization Required Prior to Parallel Operation

- 2.2.1 The Transmission Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Transmission Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Transmission Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.
- 2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Transmission Provider's Transmission System without prior written authorization of the Transmission Provider. The Transmission Provider will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

## 2.3 Right of Access

- 2.3.1 Upon reasonable notice, the Transmission Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Transmission Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.
- 2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Transmission Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection

with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

- 2.3.3 Each Party shall be responsible for its own costs associated with following this article.

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

#### 3.1 Effective Date

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

#### 3.2 Term of Agreement

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

#### 3.3 Termination

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

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Transmission Provider 20 Business Days' written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Provider's Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

3.3.4 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.

### 3.4 Temporary Disconnection

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

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

#### 3.4.2 Routine Maintenance, Construction, and Repair

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

#### 3.4.3 Forced Outages

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



disconnection.

3.4.4 Adverse Operating Effects

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

3.4.5 Modification of the Small Generating Facility

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

3.4.6 Reconnection

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

## **Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades**

### 4.1 Interconnection Facilities

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

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

4.2 Distribution Upgrades

The Transmission Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

## **Article 5. Cost Responsibility for Network Upgrades**

5.1 Applicability

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

5.2 Network Upgrades

The Transmission Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Transmission Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.2.1 Repayment of Amounts Advanced for Network Upgrades

The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Transmission Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Small Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the

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

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

### 5.3 Special Provisions for Affected Systems

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

### 5.4 Rights Under Other Agreements

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

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

## 6.1 Billing and Payment Procedures and Final Accounting

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

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

## 6.2 Milestones

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

## 6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Transmission Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Transmission Provider, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment

shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Transmission Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Transmission Provider under this Agreement during its term. In addition:

- 6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.
- 6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Transmission Provider and must specify a reasonable expiration date.

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

### **7.1 Assignment**

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

- 7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Transmission Provider of any such assignment;
- 7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Transmission Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Transmission Provider of any such assignment.
- 7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

### **7.2 Limitation of Liability**

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as

authorized by this Agreement.

### 7.3 Indemnity

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

### 7.4 Consequential Damages

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

damages hereunder.

## 7.5 Force Majeure

7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

## 7.6 Default

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

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies

to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

## **Article 8. Insurance**

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

## **Article 9. Confidentiality**

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



from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

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

## **Article 10. Disputes**

- 10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at [\\_http://www.ferc.gov/legal/adr.asp.>](http://www.ferc.gov/legal/adr.asp)
- 10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for

one-half of any costs paid to neutral third-parties.

- 10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

## **Article 11. Taxes**

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

## **Article 12. Miscellaneous**

- 12.1 Governing Law, Regulatory Authority, and Rules  
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of \_\_\_\_\_ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 12.2 Amendment  
The Parties may amend this Agreement by a written instrument duly executed by both Parties, or under article 12.12 of this Agreement.
- 12.3 No Third-Party Beneficiaries  
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.
- 12.4 Waiver
- 12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- 12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other

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

12.5 Entire Agreement

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

12.6 Multiple Counterparts

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

12.7 No Partnership

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

12.8 Severability

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

12.9 Security Arrangements

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

12.10 Environmental Releases

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

#### 12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

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

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

#### 12.12 Reservation of Rights

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

**Article 13. Notices**

13.1 General

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

If to the Interconnection Customer:

Interconnection Customer: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

If to the Transmission Provider:

Transmission Provider: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

13.2 Billing and Payment

Billings and payments shall be sent via ACH or wire transfer to the addresses set out below:

Interconnection Customer: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
  
Transmission Provider: \_\_\_\_\_  
Bank Information: \_\_\_\_\_

Email: \_\_\_\_\_ 13.3 Alternative Forms of Notice

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

If to the Interconnection Customer:

Interconnection Customer: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

If to the Transmission Provider:

Transmission Provider: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

13.4 Designated Operating Representative

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

Interconnection Customer's Operating Representative:

Interconnection Customer:  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

Transmission Provider's Operating Representative:

Transmission Provider: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

13.5 Changes to the Notice Information

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

**Article 14. Signatures**

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

For the Transmission Provider

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

Title: \_\_\_\_\_

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

For the Interconnection Customer

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

Title: \_\_\_\_\_

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

## Glossary of Terms

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

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

**Business Day** - Monday through Friday, excluding Federal Holidays.

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

**Distribution System** - The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

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

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

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



**Interconnection Customer** - Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

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

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

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

**Network Upgrades** - Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection of the Small Generating Facility with the Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

**Notice of Dispute** - A written notice of a dispute or claim that arises out of or in connection with the Standard Small Generator Interconnection Agreement or its performance.

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

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

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

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

**Small Generating Facility** - The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

**Tariff** - The Transmission Provider or Affected System's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

**Transmission Owner** - The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

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

**Transmission System** - The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

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

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

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

**Attachment 3**

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

## Milestones

In-Service Date:

Critical milestones and responsibility as agreed to by the Parties:

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

Agreed to by:

For the Transmission Provider \_\_\_\_\_ Date \_\_\_\_\_

For the Transmission Owner (If Applicable) \_\_\_\_\_ Date \_\_\_\_\_

For the Interconnection Customer \_\_\_\_\_ Date \_\_\_\_\_

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

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

**Transmission Provider's Description of its Upgrades  
and Best Estimate of Upgrade Costs**

The Transmission Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Transmission Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.